

Reality belies the European dream

THE European Community yesterday became a 12-nation single market but was forced to concede that the free movement of people, goods, capital and services within the EC was not yet a reality.

All internal EC border checks on goods were abolished at midnight on December 31, and the European Commission declared that the Community had adopted 95 per cent of the 300 measures proposed when the single-market project was launched in 1985. Six members of the European Free Trade Association (Efta) are set to join the free-trade area during 1993 when the European Economic Area comes into being.

But in practice, confusion, omissions, delays and the inevitable political compromises mean the Community is unlikely to realise the aim of the 1987 Treaty of Rome - to establish a barrier-free European common market - before the end of the millennium.

Mr Jacques Delors, the European Commission president, declined to

Political compromises and confusion likely to delay a barrier-free common market, writes Andrew Hill

fête the arrival of the market. He argued that it would not be appropriate and that as a gradual process the single-market project was never supposed to end with a "big bang" on January 1 1993.

In a statement released yesterday, he said: "We shall have to display a more active presence together in global affairs relating to peace, liberty, respect for others and solidarity with the poor worldwide. The task is immense but it can be carried out successfully."

For the EC's 344m inhabitants - and travellers within the Community - the immediate effect of the legislation that came into force yesterday will be limited. The main change is the abolition of limits on the goods individuals can carry across internal borders.

Travellers can now return home with as much alcohol, tobacco and other goods as they want, having paid tax where they bought the items. But national authorities can carry out spot-checks and seek proof that the goods are for personal use or consumption.

For many regular travellers within the EC, the greatest disappointment will be the failure of member states to lift passport checks at internal frontiers.

Passengers on flights within the EC will still have to show passports at airports until December at least, when most terminals should have adapted to the changes. Nine continental members of the EC will try to abolish other controls on people by the middle of this year, if external frontier controls are strengthened.

But Britain, Denmark and Ireland could well persist with passport checks beyond 1993.

To a large extent, EC businesses have already adapted to the single market. Its announcement helped fuel the boom of the late 1980s and many companies have already restructured to take account of existing and proposed legislation lifting barriers to trade.

Exchange controls in all but four EC members were lifted by mid-1990, for example. Ireland yesterday joined Portugal and Spain in lifting controls reimposed during the autumn currency crisis. Only Greece has been granted a delay in liberalising capital movements.

Alongside the abolition of border controls on goods, yesterday was the birthday of a new system for collect-

ing and monitoring value added tax and excise duty. The new regime abolishes 60m forms which had to be filled in by business each year, but traders complain that new administrative burdens have been imposed. They also fear confusion about the application of the new rules will undermine its benefits during the first few months of operation.

From now on EC banks are also free to set up branches anywhere in the Community, and government curbs on the setting of air fares have been lifted - a move which could herald cheaper air travel. Utilities and public authorities also have to open all contracts, except those in services, to competition.

But recent breakthroughs allowing stockbrokers and banks to deal on stock exchanges across Europe will not come into force until 1996 at the earliest, and legislation enabling insurance companies to set up anywhere and sell policies across borders does not take effect until 1994.

Vulnerable punt faces a rough start to year

By James Blitz, Economics Staff

THE first currency to come under attack after a quiet Christmas could be the Irish punt, as foreign exchange rates brace themselves for a new year of speculation against the weaker currencies in the European exchange rate mechanism.

Trading on the foreign exchanges was so thin last week that most exchange rates were motionless. But the Bundesbank's unwillingness to ease monetary policy and uncertainty about the future of the ERM left the Irish currency looking beleaguered.

On New Year's Eve, the punt was trading at DM2.6315 against the D-Mark, close to its ERM floor of DM2.6190. In the last few days the punt has been alternating with the system's other weak currency - the French franc - at the bottom of the ERM grid.

The punt's vulnerability has been heightened by new dangers. Yesterday, the Irish authorities carried out their pledge to abolish the country's remaining exchange controls, in line with the EC's single market programme. It was, in the words of one Irish currency dealer, "an extraordinarily brave decision".

Until this weekend the controls had meant that foreign investors who wanted to trade in the punt had to deal in the less liquid Eurocurrency. Now non-residents can borrow punts in Ireland's domestic market, thereby enhancing their ability to speculate in the currency.

The arrival of the new year also brings clean balance sheets to many bank dealers.

As the end of 1992 approached, dealers were reluctant to take big positions in the market for fear of losing the gains made in the summer currency crisis and spilling what, in many cases, were excellent end-of-year results. But some analysts believe the currency market is on the verge of renewed speculation.

Like the French franc, the punt ought not to be a candidate for devaluation against the D-Mark. Ireland's inflation rate for 1992 is about 2.7 per cent, well below Germany's. The country's current account balance is also in surplus.

But this is all but ignored by dealers. The punt is under pressure because of investor confidence in the D-Mark as a currency which has never been devalued and which offers a high return, with short-term interest of about 8.75 per cent.

Analysts also believe the punt will have to be devalued by about 7 per cent to make up for the competitive devaluation of sterling earlier in the year. Britain remains Ireland's biggest trading partner, accounting for 33 per cent of the Irish export market, and last year's 10 per cent revaluation of the punt against sterling has made life difficult for Ireland's exporters.

Mr Steve Barrow, an economist at Chemical Bank in London, believes pressure on the Irish currency is now so great that the EC's monetary committee may be forced to consider a devaluation of the currency as early as this weekend.

However, Mr Nick Hunt, head of foreign exchange trading at the Bank of Ireland in Dublin, says that speculation against the currency will not be easy, with Ireland's money market remaining illiquid due to large-scale selling of the punt to the central bank in recent months.

Speculators make a profit on a devaluation by borrowing the currency, selling it at the prevailing exchange rate and buying it back when it is at the lower rate.

Mr Hunt says that most dealers will be forced to borrow money from the central bank as the interbank market is so illiquid. "The central bank has already made clear that it will lend at increasingly high rates if it sees sustained pressure on the currency."

With the overnight support rate at about 14 per cent, the central bank can ill afford to raise the price at which it is lending money to the domestic market, for fear of squeezing the country's economy. But there may be limits to the price investors will pay to borrow a currency in the hope that it will be devalued.

Prime ministers of both states shy away from predicting the exact course of future dealings

Czechs and Slovaks vow to keep split amiable

By Vincent Boland in Bratislava

MR Vladimir Meciar, the first prime minister of newly independent Slovakia, appealed yesterday to Slovaks of all ethnic origins to rally behind the new country and build a legal, democratic and decentralised state.

In a televised address to the nation from the capital, Bratislava, he called on "all Slovaks, and Hungarian, Czech, Polish, Ukrainian, Ruthenian and Romany (gypsy) minorities, all the citizens of the Slovak Republic," to work together.

In Prague, now the capital of the independent Czech Republic, Mr Vaclav Klaus, the prime minister, pledged to maintain close ties with Slovakia, formerly the junior partner in the 74-year-old federal Czechoslovak state, which was formally dissolved at midnight on December 31.

Mr Klaus said in a speech to political and religious leaders in Prague castle that there would be "no Chinese wall" along the common frontier. He underlined that Slovakia's economic prosperity and the maintenance of political pluralism was also a political concern for the Czech Republic.

Mr Meciar acknowledged, in a speech which implicitly recognised the fears and reservations that many Slovaks harbour about the ending of the link with the more prosperous Czech Republic, that difficulties lay ahead for the smaller of the two new states. He assured Slovaks that links with the Czech Republic would continue to be close and that Slovakia "needed neither customs officers nor border crossings and other restrictions".

Both leaders underlined the difficulty of predicting the exact course of their future relationship. Mr Meciar pledged to honour all obligations assumed during the six months the two states moved apart and to co-operate at the highest possible level.

He and other leading Slovaks attended independence celebrations in Bratislava's central square, which began with the hoisting of the new flag and the singing of the national anthem. Thousands of people turned out to usher in both the new year and the new state.

Under a placard saying: "Kiss me, I'm Slovak" one of the throng caught the mood of the night. She said it was a special moment for all Slovaks, as people queued to smother her with kisses. Then, to the strains of The Blue Danube, the singing and dancing continued into the night.

In his speech the Slovak leader stressed the importance of relations with Austria, and underlined Slovakia's "permanent and sincere interest in good relations" with Hungary. In a reference to the economic



The former Czechoslovakian flag, now the banner of the new Czech Republic, is waved by a reveler in Prague's Wenceslas Square on New Year's Eve

difficulties facing Slovakia, whose heavy and arms-related industries were built largely to serve the former Soviet and Comecon markets, he warned there was "a lot to learn".

Mr Meciar, a former communist, said it was necessary to "draw a thick line between the present and the past". While the "velvet revolution" of November 1989 had rejected a system that was bad, "we cannot reject the work of those

who worked honestly under this bad system" - an indication that he will not permit a clean break with communist-style methods favoured by the free-market orientated Czech government.

Bosnian faction leaders gather for peace talks

By Frances Williams in Geneva

THE first face-to-face talks between leaders of the three warring factions in Bosnia-Herzegovina since hostilities began last spring open today in Geneva, amid mounting international pressure for outside military intervention to halt Serb aggression.

The talks, due to break on Tuesday before resuming later this month, are aimed at thrashing out a political settlement for Bosnia based on the draft constitution prepared by Mr Cyrus Vance and Lord Owen, the international mediators, last October.

This provides for a decentralised political structure, comprising between seven and 10 largely autonomous provinces based on geographical, economic and historical factors as well as ethnic composition and strong human and minority rights guarantees.

Attending today's meeting will be Mr Alija Izetbegovic, president of the mainly Muslim Bosnian government, Mr Mate Boban, the Bosnian Croat leader, and Mr Radovan Karadzic, the Bosnian Serb leader. President Franjo Tudjman of Croatia and President Dobrica Cosic of the rump Federal Republic of Yugoslavia (Serbia and Montenegro) will also be represented.

While the politicians discuss Bosnia's constitutional future, and in particular where the provincial boundaries should be drawn, their military advisers will continue talks begun under UN auspices in the Bosnian capital, Sarajevo. These

will focus on the demilitarisation of the city, a reduction of hostilities throughout Bosnia and a lifting of the siege on Muslim-held towns.

Expressing fears that talk of military intervention could undermine the Geneva negotiations, Mr Boutros Boutros Ghali, United Nations secretary-general, this week described today's historic meeting as a "last chance" for the peace process.

However, Mr Vance and Lord Owen are said to see it as a "first chance" for top-level negotiations between the protagonists, in which a Bosnian settlement would pave the way for a broader regional accord.

The talks, which are the culmination of four months of painstaking peace-broking by Mr Vance and Lord Owen, follow last month's elections in Serbia which confirmed hard-line President Slobodan Milosevic in power and the reluctant acquiescence by Mr Izetbegovic to sit down at the same table as Mr Karadzic, whom he (and the US administration) labels a war criminal.

The Bosnian government and Bosnian Croats are said to have moved closer in talks last weekend to drawing provincial boundaries, and Mr Vance and Lord Owen will have their own map in readiness to move the bargaining process along.

But when Lord Owen met Mr Karadzic and Mr Milosevic in Belgrade on Wednesday there was no detectable sign of flexibility in Serb demands for a single Bosnian Serb "state-within-a-state" which could at some stage become part of a Greater Serbia.

Truckers wary of their new freedom

By Charles Batchelor

MR John McCann's 38-tonne refrigerated truck was one of two dozen commercial vehicles on board the *Pride of Kent*, the first ferry to dock at Dover after the removal of border controls at midnight on December 31.

He had hoped for an earlier arrival in Britain but when he made his usual two-hour detour to Steenvoorde on the Belgian border to pick up his documents, the clearing agents had jumped the gun on the single market and had stopped issuing them. They advised him to wait for the first boat arriving after midnight, when the papers would no longer be necessary.

Agents are private companies that prepare export and import documents for customs. For years Mr McCann went to Steenvoorde because clearing agents there were open at more convenient times than those in Calais.

Creation of the single market means most of the 55m customs documents for trade within the European Community will no longer be needed.

However, uncertainty abounds about the impact of changes. Mr Kenneth Ross-Steven, whose cargo of Dutch chicken livers was the last truckload to pass through Dover under the pre-single market system of controls, chimed a wad of documents. One of his fears is that customs posts elsewhere in Europe will not be prepared to clear drivers without the traditional documentation. And with many clearing agents

around Europe going out of business advice may be difficult to get if problems arise.

British Customs and Excise officers, however, are convinced of the benefits. Mr Derek Leach, in charge of VAT, excise and duty collection on freight traffic, said customs officers in Dover handled about 2.5m import and export documents a year. These would be reduced to about 300,000 documents, mainly covering non-EC shipments, he estimated. Checks for smuggling will be carried out only on vehicles which appear suspicious.

This has led to the loss of 550 customs jobs at Dover, Ramsgate, Folkestone and Sheerness, although most staff have been transferred to other jobs or will move to the Channel tunnel when it opens.

But even the removal of most customs controls will not mean drivers have a completely free run. The immigration department has taken over some of the space occupied by customs. And controls on drivers' hours remain. Mr Ross-Steven had to wait 11 hours in Dover yesterday because of EC tachograph rules.

The Financial Times (Europe) Ltd. Published by The Financial Times (Europe) GmbH, Frankfurt Branch, Nibelungenplatz 3, 6000 Frankfurt-am-Main 1. Telephone 49 69 156550. Fax 49 69 356481. Telex 416193. Represented by E. Hupf, Managing Director. Printed by DVM GmbH-Hilfsmittel International, 6076 Neu-Isenburg 4. Responsible editor: Richard Lambert, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1993.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited. Publishing director: J. Rolley. 168 Rue de Rivoli, 75004 Paris Cedex 01. Tel: (01) 4297 0621; Fax: (01) 4297 0622. SA Nord Edit: 1570, Rue de Calix, 91100 Roubais Cedex 1. ISSN: 1858-1148-2753. Commission Paritaire No 678802.

Financial Times (Scandinavia) Vinnestiftet 424, DK-1161 Copenhagen-K. Denmark. Telephone (33) 15 44 41. Fax (33) 935331.

To celebrate 100 years of turning pink, the FT offers you lunch for a fiver.

(It's the offer of a lifetime.)

On January 2 1993, the Financial Times turned Pink. As part of the celebrations we thought you'd like a two course business lunch at a top restaurant, for just five pounds. (Yes, a fiver!)

There are no strings, catches, questions or tiebreakers whatsoever. Just buy the Weekend FT on January 9 and book a table at one of the listed participating restaurants.

If, however, you'd rather not pay at all, you'd better enter our competition. From January 11 we will be asking a series of cryptic questions. Answer them correctly and you could win a gastronomic weekend for two at Gidleigh Park in Chagford, Devon.

All of which proves the FT doesn't just feed the mind.

FT. £5 Business Lunch.

TGV link approval

FRANCE has given the go-ahead for a high-speed TGV railway link from Paris to the German border, after years of delay caused by financing problems, Reuters reports from Paris.

The prime minister's office said the cost of the project would be cut to less than FF20bn (\$2.4bn), from earlier estimates of FF26bn. The construction schedule will be released next month.

The new railway, completing a network of 160-190mph trains running south, west and north from Paris, should put Strasbourg less than two hours from Paris by the end of the century and eventually extend towards northern and eastern Europe. The European Community is to provide some financing.

Polish coal deal

COAL miners at 65 Polish pits are to vote on Monday on a New Year's Eve agreement between strike leaders and the government which could end the most widespread stoppage in the industry's history, writes Christopher Bobinski in Warsaw.

The protocol commits the government to restructuring the coal mines' debt of 8,000bn zlotys (\$34m) and providing subsidies worth 1,700bn zlotys. The government has also said it will turn to international financial institutions for modernisation loans for the industry.

The end of the 19-day strike would see the resumption of coal exports, which the government banned last week in view of possible domestic fuel shortages.

N-weapons deal will cap Bush-Yeltsin summit

By George Graham in Washington

PRESIDENT George Bush will arrive in Moscow this evening for a far-reaching summit meeting with Russian President Boris Yeltsin. It is to be capped by the signature of an historic agreement cutting the US and Russian nuclear arsenals by around two thirds.

They are expected also to discuss Russia's economic reforms, as well as relations with other former Soviet

republics - especially Ukraine, whose failure to fulfil its pledge to get rid of the nuclear weapons on its soil is viewed in Washington as one of the most critical threats to efforts to control the nuclear threat.

But Mr Bush has less than three weeks to serve before he hands over power to President-elect Bill Clinton, so little of substance is likely to be transacted.

Nevertheless, diplomats in Washington expect Mr Bush to use the

meeting to press for Mr Yeltsin's co-operation in stepping up pressure on Serbia to end hostilities in Bosnia.

On his way home, Mr Bush will stop in Paris for dinner with President François Mitterrand, and will try to win his backing for a tough UN resolution allowing the enforcement of the no-fly zone over Bosnia as he sought that of Mr John Major, the British prime minister, at a meeting last month in the US.

The broad outlines of the nuclear missiles agreement which Mr Bush and Mr Yeltsin will sign tomorrow, known as Start II because it builds on the framework of the Strategic Arms Reduction Treaty signed by the two superpowers in 1991, were agreed at their last summit in Washington in June.

The US and Russia have agreed to deploy no more than 3,000-3,500 strategic nuclear warheads by the year 2003, with a separate limit of 1,750

warheads deployed on submarine-launched missiles and a complete ban on the use of multiple warheads, known as Mirvs, on land-based missiles.

It has taken six months to resolve technical disagreements over issues such as the conversion of silos protecting one banned type of missile to enable them to house smaller missiles, but US officials said the delay in completing Start II has also reflected Mr Yeltsin's difficulty in

selling the agreement to his military commanders and to nationalist politicians on his right.

The agreement throws out the principle of strict parity that has pervaded earlier US-Soviet arms treaties by setting a band of 3,000 to 3,500 warheads.

Mr Yeltsin said in June he intended Russia to aim for the lower end of this band, while the US is expected to end up closer to the upper limit.

US warns Somali clans as Bush visits interior

US-led forces yesterday warned warring factions in Somalia against any further use of heavy weapons after two clans exchanged artillery, mortar and heavy machine-gun fire for three hours on New Year's Eve, agencies report from Mogadishu.

The clashes on the outskirts of Mogadishu - which came on President George Bush's first night in Somalia - left at least 17 people dead on one side alone, according to US Marine officials.

The fighting was a minor clan's attempt to become a participant in peace talks, a United Nations official said. The UN also said one of Somalia's two main warlords was dragging his feet on attending

a peace conference in Addis Ababa, Ethiopia, next week.

The fighting and threat of a conference boycott gave Mr Bush a glimpse of the rivalries and bloodshed that have plunged Somalia into humanitarian crisis, clan warfare, looting and famine.

Mr Bush saw the devastated interior of the country yesterday when he visited Baidoa, 190km west of Mogadishu, where he was greeted by cheering youngsters and foreign relief workers at an orphanage.

The New Year's Eve fighting, which lit up the night sky and resumed briefly yesterday morning, broke out when the Murusade clan, led by Mohamed Kanyare, tried to seize a barracks belonging to

one of the main warlords, Gen Mohamed Farrah Aidid.

US Marine Col Michael Hagee said Mr Aidid's forces lost 17 fighters, with 25 wounded. He did not have figures for the other side.

Hospital doctors said up to 35 people, including several children, were wounded.

Mr Farouk Mawlawi, UN spokesman for Somalia, said Mr Aidid still had not committed himself to the Addis Ababa talks.

Hijacker puts US in quandary

By George Graham

US officials are pondering what to do with the Cuban pilot who this week hijacked his aircraft and flew to Miami, taking with him 48 willing defectors and also some passengers and crew members who were diverted against their will.

The case again places the US government in a quandary as a result of its enduring feud with Mr Fidel Castro, the Cuban leader.

While Washington welcomes any refugee from the Castro government, it is reluctant to appear to condone hijacking, and some US airlines are agitated about the possible precedent.

The Cuban American National Foundation, a right-wing grouping of Cuban exiles headed by Mr Jorge Mas Canosa, a Miami businessman, has hired a lawyer to represent the pilot, Mr Carlos Canicio, and is acting as Mr Canicio's interpreter in interviews.

But the episode has also highlighted the contradiction between the open arms the US extends to any Cuban defector, and the cold shoulder it has turned to thousands of Haitian refugees from the military regime that ousted President Jean-Bertrand Aristide in 1991.

The US policy of forcing Haitian refugees to return home is justified by the argument that they are, for the most part, fleeing economic misery rather than the political persecution that faces their Cuban counterparts.

Human rights observers, however, say the US position is at best rooted in the distinction that Cuban oppression is communist, rather than merely totalitarian, and at worst in the fact that most Cuban defectors are white and relatively well educated, while most Haitians are black.

Japan turns face towards Asia

By Robert Thomson in Tokyo

MR Kijichi Miyazawa, Japan's prime minister, has said the country must concentrate on developing its political role in Asia, signalling that Tokyo will increasingly pursue policies independent of the US.

In a New Year statement, Mr Miyazawa said Asia would be "the world's brightest spot over the next century", and Japan must cultivate its own policies to take advantage of the changes in the region.

His comments follow the delivery of reports by two senior advisory panels recommending that the relationship with the US be redefined and that "a new way of thinking" be employed in dealing with Asian countries.

The New Year comments and the publication of the panel reports are part of the build-up to a South-East Asian tour by Mr Miyazawa beginning on January 11.

While careful to show deference to US influence in Asia, Japan is trying to convince other Asian governments that Tokyo will not necessarily fall in line behind Washington in the future.

At the same time, most Japanese apparently sense that

there are troubles ahead with the US. A poll published yesterday by the Mainichi Shimbun found that only 6 per cent of questioned Japanese consider ties with the US will improve in the future.

In addition, Mr Miyazawa presided over a "round table on Japan and the Asia-Pacific region", which has just reported that "it is indefensible to adopt the attitude that a nation can curl up comfortably into its own cocoon" in the face of international change.

But the conference also suggested Japan must make changes at home to ensure that it can be taken seriously abroad.

Meanwhile, Mr Miyazawa said Japan's reluctance to open the rice market to imports was not a cause of the delay in setting the Uruguay Round of multilateral negotiations under the General Agreement on Tariffs and Trade.

He said Japan should "defend" the rice market, though, recognising that a market opening appears inevitable, he also suggested that farmers be compensated if their earnings are affected by trade liberalisation.



PATTEN ORDERS INQUIRY INTO FATAL HONG KONG REVELS

GOVERNOR Chris Patten ordered an inquiry yesterday into a New Year stampede in which 20 young revellers were trampled to death, saying lessons must be learnt before the Chinese New Year festival in three weeks. Reuter reports from Hong Kong.

The victims, including two teenagers believed to be British and a Japanese, perished as more than 15,000 revellers poured into a narrow, beer-slicked street after the stroke of midnight.

Three of 17 people admitted to hospital were in a critical

condition, officials said.

Police watched helplessly for several minutes, unable to reach the mostly teenage victims who one officer said simply dropped from sight to be crushed underfoot.

Mr Patten said the inquiry, under high court judge Kemal

Bokhary, should start early next week, as speed was essential to avoid similar chaos at the Lunar New Year, which has been marked by tragedies for two years running.

● Above: A woman trampled in the crush is helped by friends and a policeman.

Government wants to cut inflation and create 4m jobs in two years

Brazilian growth plan prepared

By Bill Hinchberger in São Paulo

BRAZIL's new government has outlined a general strategy to promote growth and reduce inflation.

But the scheme for achieving these goals, presented by Mr Paulo Haddad, planning minister, was short on details. He failed to address structural reforms such as privatisation, a programme which President Itamar Franco suspended and

promised to re-initiate under unspecified new rules.

The key points included the elimination of public waste and corruption through increased oversight and administrative decentralisation, a gradual reduction of interest rates, tripartite sectoral accords negotiated with business and labour, and the liberalisation of certain investment rules to attract foreign capital.

Mr Franco hopes to generate 4m jobs during the two years

left of the term he inherited from Mr Fernando Collor de Mello, who resigned last week. The government estimates that there are 8m unemployed in Brazil's big cities.

The government aims to cut inflation from 25 to 10 per cent a month by the end of 1993, and to what Mr Haddad called "civilised levels", 2-4 per cent a month by December 1994.

The strategy for "selective growth", as Mr Haddad put it, partly depends on the co-operation of business and labour.

The model will be an accord last year in the automotive sector, where industry reduced prices and guaranteed job stability, labour moderated salary demands, and the government cut taxes.

Mr Franco is calling Congress back from its summer recess on January 11 to address fiscal reform. Reform would also make room for the gradual reduction of interest rates, said Mr Haddad.

Israel passes jobs budget Hard line over deportees

ISRAEL's parliament yesterday approved the 1993 state budget, the first under Labour Prime Minister Yitzhak Rabin, after a marathon all-night session. Reuter reports from Jerusalem. The vote was 44-36.

The Shk102bn (£24.3bn) budget aims to ease 11 per cent unemployment by creating 90,000 jobs, mainly through infrastructure and business incentive allocations totalling Shk6.4bn.

Inflation was forecast to remain steady at 10 per cent.

The government abolished a Shk250 travel tax, a 4 per cent fee on foreign currency purchases, and customs duty on products from the European Free Trade Association countries. It reduced value added tax from 18 to 17 per cent and company taxes from 48 to 39 per cent.

Defence, at Shk13.2bn, is the largest item in the operating budget. In the overall budget,

debt repayment takes the largest allocation, at 29 per cent, followed by 26 per cent for welfare and transfer payments. Defence accounts for 18 per cent of the overall budget.

The deficit, which by law must be wiped out by 1995, is projected at 3.2 per cent of gross domestic product in 1993, compared to the 1992 projection of 6.2 per cent. GDP, up 6.4 per cent in 1992, is predicted to increase by 3.5 per cent in 1993.

ISRAEL said yesterday it opposed a fresh Red Cross appeal on humanitarian aid to 415 Palestinian deportees stranded in Lebanon. Reuter reports from Jerusalem.

The International Committee of the Red Cross said on Thursday it had asked Israel for access to the deportees through Israeli lines only. It said Red Cross delegations in Israel and Lebanon were appealing independently for unilateral access.

"Israel's position has not changed," said Gad Ben-Ari, spokesman for Prime Minister Yitzhak Rabin. "We are ready to allow the Red Cross to bring supplies only on the basis of mutualism, which means that at the same time a convoy must also come from Beirut."

Israel expelled the 415 on December 17 for periods of up to two years. Ten have been told that their expulsions were a mistake and they may therefore return to the occupied West Bank and Gaza Strip.

Earlier yesterday Mr Rabin said the deportees could return home early if the Palestinian uprising in the occupied territories was halted for nine months.

In the Gaza Strip, Palestinians hurled a hand grenade near the Israeli checkpoint at Erez junction, where Arab workers cross into Israel. An Arab driver was slightly wounded.

Matiba grows from prisoner to opposition leader

Julian Ozanne profiles the man who has come a strong second in Kenya's presidential poll

THE man who dominated the historic launch of Kenya's opposition coalition to the continued rule of President Daniel arap Moi has earned his spurs the hard way.

Mr Kenneth Matiba, who emerged in the elections as the leading popular opposition figure, has one essential African qualification for power: a long spell in jail for his opposition to authoritarian rule.

Detention without trial has done for Mr Matiba what it did for former President Jomo Kenyatta, who was incarcerated by the British for his challenge to colonial rule: it has made him a political martyr to Kenya's masses, particularly his powerful and dominant Kikuyu tribe.

The 60-year-old former cabinet minister, jailed in 1990 by President Moi for leading the multi-party democracy movement, has established himself as the power broker of Kenya's political future.

Yesterday Mr Matiba, leader of the Ford-Asili party, was flanked by the two other members of the coalition, Mr Mwai Kibaki of the Democratic Party and Mr Jaramogi Oginga

Odinga of Ford-Kenya - once bitter rivals of Mr Matiba but now deferring to him as *primus inter pares* of the united opposition front.

From the start of the campaign for multi-party democracy nearly three years ago, Mr Matiba has displayed an almost messianic belief that this was the leadership role he was destined to play.

He has battled Mr Moi since 1988, when he became the first minister to resign from his cabinet over election rigging. Spearheading the nascent multi-party movement, he was detained in July 1990, three days before tens of thousands of people headed his call to demonstrate for political change. At least 40 people were killed in three days of rioting in Nairobi and Central Province in the wake of arrest.

Now he has the opportunity to shape the opposition to Mr Moi and determine whether Kenya's transition to democracy will be peaceful.

Interviewed in his campaign office, as it became apparent that he had become a pivotal

figure, Mr Matiba gave an early indication of his strategy to lead the opposition and put aside the bitter rivalries which had emerged during the campaign. "The country does not want Moi any more," he said. "The opposition have the majority of votes and we have to stop the violence which is there already. I am the only man who can stop the violence and keep the country together."

Mr Matiba has made an extremely strong showing in three of Kenya's eight provinces and can now claim the mantle of leadership of his Kikuyu tribe. The Kikuyu have been the most militant in pressing for the introduction of multi-party democracy, and observers say many are prepared to take to the streets to remove Mr Moi forcibly if Mr Matiba issues the call. Doubts about their possible return to power, after a 14-year break since Mr Kenyatta's death, remain his chief Achilles' heel.

Mr Matibawas last night firmly in second place behind his one-time jailer, by 1,226,870



'I am the only man who can stop the violence and keep the country together'

votes (26 per cent) to 1,796,233 (37 per cent) in the presidential race. His remarkable performance among his Kikuyu people in the face of stiff competition from his fellow tribesman, Mr Kibaki, stems his status as

the hero of the multiparty movement.

A strong family man and enthusiastic mountain climber, Mr Matiba suffered a severe stroke shortly after his release from a 10-month confinement

which left the right side of his body seriously paralysed and affected his reading and writing ability. He spent almost a year convalescing in London before returning triumphantly to Nairobi last May. At his country home in Limuru, he shows off the remarkable recovery he attributes to God and stiff exercise. "Look at this," he says, swinging the air with an imaginary squash racket. "I couldn't do that not so long ago." He is light-hearted, even schoolboyish.

Many Kenyans remember with affection his career before he entered parliament in 1979, which was built on two of Africa's greatest enthusiasms: beer and football.

As a senior executive and later chairman of Kenya Breweries between 1968 and 1979 he was responsible for massive industrial expansion and job creation in one of Kenya's biggest state-owned companies. As founder of the Kenya Football League and chairman of the Kenya Football Federation he promoted Kenya's most popular sport across the country.

His family and many of his close colleagues opposed his return to the cut-throat world of Kenyan politics, and urged him to retire to the business empire he has built up in hotels and horticulture exports.

But Mr Matiba felt he was the only man capable of leading the opposition to Mr Moi and holding the country together - an almost De Gaulle-style arrogance which was to win him many enemies in the opposition.

The results of the elections show that if the opposition had held together instead of fragmenting into three main parties, based largely on tribalism and personal greed for power, they would have easily swept Mr Moi aside.

Mr Matiba must bear some of the responsibility for this failure to present a united front. He claims his rigid stance has been based on democratic principle, repeatedly stressing that his was the only party to carry out direct elections for the leadership. "I have been for democracy from the beginning

NEWS IN BRIEF

Survey shows US orders rising

THE US manufacturing sector continued to expand in December, according to a widely watched survey of industrial buyers, George Graham writes from Washington.

The National Association of Purchasing Managers Index rose for the third consecutive month to 55.9 per cent, and a NAIPM index of new orders climbed sharply to its highest level for three years.

Separately, the Commerce Department said manufacturers' new orders declined by 0.9 per cent in November, the first drop in three months. Economists said, however, that this decline was mostly attributable to aircraft orders, which tend to fluctuate erratically. Factory shipments rose by 1.1 per cent in November.

Washington defines water

The US Food and Drug Administration ended the year by publishing its long-awaited rules for the labelling of bottled water. Nikki Tait reports from New York.

Under the proposed new rules mineral water will be defined as bottled water with at least 250 parts per million in total dissolved solids, coming from a source "tapped at one of more bore holes or springs, originating from a geologically and physically protected underground water source".

Spring water, meanwhile, is defined as bottled water obtained from an underground formation from which the water flows naturally to the surface - or would if it were not collected underground.

Cambodia trade sanctions

Trade sanctions against the Khmer Rouge have come into effect after the guerrilla faction launched its most serious attack on UN peacekeepers since they were deployed in Cambodia. Reuter reports from Phnom Penh.

The sanctions were imposed by the UN Security Council in November because of the hard-line guerrilla group's refusal to comply with the peace accord signed in Paris in October 1991 to end 13 years of civil war.

Referendum date for Malawi

Malawi's President Kamuzu Banda has set a referendum on multi-party politics for March 16, the pro-democracy movement said yesterday. Reuter reports from Johannesburg.

The date was announced by Mr Banda in a broadcast, according to Mr Kennedy Msonde, a representative in South Africa of Malawi's opposition Alliance for Democracy.

Nigeria begins reforms

The Armed Forces Ruling Council, Nigeria's highest governing body, has been dissolved to pave the way for a new body that will help guide the country through eight months of extended military rule, Reuter reports from Abuja.

and that was not up for compromise," he says.

But politicians in the opposition parties, including former close friends like Mr Charles Rubia, who was detained with Mr Matiba in 1990 but subsequently broke with him, say his prickly and volatile nature make it impossible to work collectively with him.

An ironic parallel can be drawn, say his critics, between Mr Matiba and his close British friend Dr David Owen, the former leader of the Social Democrats: both men whose personalities led to divisions in the opposition.

His policies, too, are close to those of Dr Owen, mixing a commitment to private sector enterprise and privatisation of state-owned companies with a belief in the social welfare role of the modern state, especially in education, and accountability in public affairs.

Critical for Kenya is whether Mr Matiba can now rise to the challenge of opposition leadership bestowed on him by the electorate, and play the role of conciliator to unite a fragmented opposition still groping for a path to power.

NEWS: UK

Tour operators and retailers report surge

By Philip Rawstorne

THOMSON, THE UK's biggest tour operator, yesterday estimated that holidaymakers spent about £75m in the first three days of this week on summer bookings - about 50 per cent up on the same period last year.

The holiday rush, stimulated by price cuts and special offers, was accompanied by further brisk business in New Year sales yesterday.

Mr Charles Newbold, Thomson's

managing director, said: "Clearly consumer confidence is now returning to the high street."

Thomson, which expects total holiday bookings to reach £150m this weekend, has doubled the size of its Skytours brochure, offering 200,000 additional holidays in Spain, Greece and the Canaries.

Thomas Cook confirmed the early surge in demand. Bookings through its 340 travel agencies were 50 per cent ahead of last year. "We have

had a very good few days since Christmas," said.

Retailers reported found an improvement on last year's start of the January sales. Mr Robin Cannon, marketing director of Allied-Maples, said: "It has been a good day for us. The momentum has been maintained since Monday and augurs well for the weekend. Carpet sales have been particularly buoyant."

Lillywhites, the London sports store, reported business was "a lot

better" than in last year's sale. Mr Steve Forbes, merchandise manager, said: "For the Christmas/New Year period as a whole, sales are 41 per cent ahead of our forecasts, and 148 per cent up on last year when the redevelopment of the store disrupted business."

Gieves & Hawkes, the Savile Row tailor, said it had fewer customers yesterday than earlier in the week, but it was "very pleased with the results. The Christmas period this

year has certainly been better than a year ago."

Mr Malcolm Busby, retail director of Daks-Simpson, said trading yesterday had been "quite brisk". He added: "Christmas got off to a slow start but over the last two weeks business has been very much better than last year."

The sale at Arncliffe Road's Regent Street store in London yesterday attracted slightly more customers than last year. Mr Michael Tiffin,

merchandise director, said: "There are noticeably more tourists among the shoppers."

It had been a good week for the company's 34 shops throughout the country, Mr Tiffin added. "We are very pleased with the results."

The John Lewis Partnership reported yesterday that its department stores had increased sales by 2.7 per cent in the week to December 19, the last full week before Christmas.

Pension fund returns improve

By Barry Riley

PENSION funds enjoyed high annual investment returns last year, according to initial estimates, in spite of the poor state of the economy.

Investment returns - capital gains plus income - of 19 per cent to 20 per cent on average were the best annual result since 1989.

Most of the gains were earned in the final few months of the year, following the withdrawal of sterling from the European exchange rate mechanism in September.

According to WM Company, performance measurement specialists, the best-performing asset category was overseas bonds, with returns of more than 31 per cent boosted by the devaluation. Equities returned about 20 per cent, both at home and overseas, and UK bonds 15 per cent.

The only disappointing category was property, which returned just 1 per cent or 2 per cent. Funds owning no property will therefore have performed better, and are likely to show an overall average return of 20 per cent.

But according to Hyman Robertson, the pension consultants and actuaries, last year's returns could prove illusory, because although share prices were strong dividends fell slightly. On an actuarial basis returns are likely to be closer to 5 per cent, and are "less than adequate" when compared to inflation-linked liabilities.

Hyman Robertson said: "A typical pension fund with a healthy surplus at the end of 1991 is likely to see part of that surplus eroded in 1992, reducing markedly its flexibility."

WM said that although stock market returns were good last year the 1990s still look like being the decade of the bond.

Over the three years 1990, 1991 and 1992 UK and overseas bonds have produced annualised returns of 14 per cent and 16 per cent respectively, but UK equities have returned only 9 per cent and overseas equities a very disappointing 2 per cent.

WM added that 1992 was likely to prove another bad year for pension-fund cashflows, reflecting the number of companies taking contribution holidays. Cashflow was only 3 per cent of assets in 1991 and will have been even lower last year.

These estimates and comments are based on market returns. Actual pension-fund returns will be calculated individually over the next few weeks.

Lex, Page 22

■ Cabinet papers for 1962 reveal takeover bid row ■ Macmillan initially backed scrapped aviation project

Ministers were embarrassed by ICI battle

By Richard Evans

IMPERIAL Chemical Industries' attempt to take over Courtaulds was the biggest and most fiercely fought takeover battle of its day and the Macmillan cabinet did not know how to handle it, according to cabinet papers which have been released under the 30-year rule.

The aim was to rationalise the UK's synthetic fibres industry but Mr Frank Kearn, then chairman of Courtaulds, strongly resisted the plan and a long series of secret negotiations broke down.

The battle between Mr Kearn and Mr Paul Chambers of ICI fascinated the City, particularly when Courtaulds, having cut its interim dividend before the battle, proposed a dividend increase and distribution to shareholders of £40m in loan stock.

The government was an embarrassed spectator of the bitter in-fighting, and the Labour opposition rejoiced in the daily revelations of jungle warfare in the City. Cabinet papers show the scale of the disagreement among minis-

ters on whether to intervene. Some ministers urged intervention to prevent an ICI monopoly but a majority argued in favour of allowing the bid to run its course and for the Monopolies Commission to step in at a later stage if necessary.

Mr Rab Butler, the home secretary, absented himself from the discussions as he had married into the Courtaulds family.

Mr Frederick Erroll, president of the board of trade, publicly washed his hands of the affair. He told the Commons he had decided not to decide whether the merger would be in the national interest.

Fortunately for Mr Erroll the battle ended on the expiry of ICI's time limit for Courtaulds shareholders, when only 37.4 per cent of Courtaulds ordinary stock had been acquired.

Cabinet minutes show recognition that the dispute had crystallised growing public anxiety about the effect of big mergers on the national interest, and that ministers would be pressed to assume further powers to control these operations.

Hidden role in Cuban crisis

By Bethan Hutton

MR HAROLD Macmillan, the prime minister 30 years ago, felt the Cuban missile crisis strengthened the country's special relationship with the US. This was in spite of the British government's serious doubts about the legality of US actions.

The prime minister's papers record daily phone calls between him and US President John Kennedy.

Mr Macmillan later told the cabinet that the UK had played a more active role in the resolution of the crisis than was widely believed. He hesitated to publicise the fact for fear of embarrassing President Kennedy and further antagonising Britain's European allies.

At one stage Mr Macmillan wrote to President Kennedy offering to immobilise the UK's 60 Thor nuclear missiles as a face-saving gesture for Mr Khrushchev, the Soviet leader. The crisis was resolved the following day without such action being necessary.

Documents that have been removed indefinitely from the files made public yesterday may hide evidence of whether



Sit-down demo: protesters defied a government ban to demonstrate in Whitehall and Trafalgar Square over the Cuban missile crisis

a secret deal was responsible for the sudden resolution of the situation.

Close co-operation with Washington did nothing to help British relations with Europe when the UK was trying to join the European Economic Community, but Mr

Macmillan did not appear to consider this a problem.

He wrote in a memo: "I am glad to feel that the crisis leaves us with strengthened ties to the administration... I do not feel so inhibited by our European negotiations because I am now beginning to feel that

we shall have a fight with de Gaulle [of France] and Adenauer [of West Germany] anyway."

A flurry of memos between senior members of the government reveals serious doubts about whether the US blockade of Cuba was justifiable under

international law. The consensus appeared to be that it was not.

The government was particularly concerned about the possibility of setting a precedent in international law for ships of a third-party nation to be stopped and searched at sea.

Rotodyne failed despite political support

By Paul Betts, Aerospace Correspondent

BRITAIN abandoned a project to build a hybrid helicopter/interceptor aircraft to revolutionise intercity travel in spite of strong backing from Mr Harold Macmillan, the prime minister.

The Fairyr Rotodyne project was ultimately cancelled by the government 30 years ago but cabinet papers released yesterday show Mr Macmillan had insisted four years earlier that the project "must not be

allowed to die". The aim was to produce an aircraft which would take off vertically and carry 48 passengers at 180mph over a 200-mile range.

The Rotodyne, which had two small wings and was powered by two turbo-propeller engines and a rotor blade, was aimed at intercity air travel.

A prototype first flew in 1957 after the government funded £13m of development costs. Commercial airlines showed little interest and the project was dropped on February 12 1962 after armed forces chiefs

said they were not prepared to support it.

A similar aircraft, the Boeing-Bell tilt rotor, is being developed in the US supported by the US government. The aircraft takes off vertically like a helicopter and then flies like a fixed-wing aircraft.

The US aircraft, of a roughly similar capacity to the Rotodyne but with much longer range, has been earmarked for military and civil applications.

The Cabinet papers also disclosed that the Anglo-French Concorde could have been

called "Europa" or "Alliance" if the British government had had its way.

Although the British and French governments formally agreed to build the supersonic airliner on November 29 1962 the two countries continued to disagree on the name of the jet, according to the cabinet papers. The aviation minister at the time, Mr Peter Thorneycroft (now Lord Thorneycroft), suggested "Alliance" and "Europa" to the cabinet.

He said France had agreed to a name that underlined

co-operation and meant the same in the two languages.

The two manufacturers of the aircraft, British Aircraft Corporation (now absorbed into British Aerospace) and Sud Aviation (now part of Aerospatiale of France), preferred Concordia.

The consortium had planned up to 40 aircraft, but in fact only 16 were produced.

Aerospace manufacturers are now studying the development of a second-generation supersonic airliner with a capacity of 300 against Concorde's 100.

Concern raised over South Georgia deal

By Bethan Hutton

A REPORT to the cabinet raised concerns that a whaling deal could lead to the south Atlantic island of South Georgia becoming populated entirely by Japanese. The government felt it could not interfere in a commercial transaction.

Housing was becoming a "lively political issue" because of a shortage of private rented homes and high interest rates.

Mr Rab Butler, the home secretary, warned of the risk of a "big explosion" of racial conflict if the government was not seen to take action after a series of fascist meetings were broken up violently.

Rapid growth of office employment worried the home secretary. He feared the concentration of offices in inner cities could lead to land shortages, increased homelessness, traffic congestion and high travel costs.

Unified budget timetable outlined

MR STEPHEN Dorrell, the Treasury financial secretary, has moved to reassure MPs that the new unified budget arrangements will not mean a reduction in parliamentary time for the finance bill, Alison Smith writes.

In a letter to Mr Nick Brown, a Labour Treasury spokesman, Mr Dorrell says that this year's second budget will be about early December, the finance bill will be published early in January and will complete its passage through parliament by May 5.

Labour is likely to be satisfied with the timetable which means that, as now, there will be just less than four months between the publication of the finance bill and its enactment.

Customs officers to vote on strike

CUSTOMS officers are to be balloted over strike action following changes to their jobs caused by the introduction of the single European market.

The CPSSA civil service union has recommended officers vote in favour of a one-day strike in protest at the changes which the union claims will result in a "significant loss of pay".

Anniversary coin

A SPECIAL crown coin will be struck to commemorate the 40th anniversary of the Queen's coronation. The £5 coin, although legal tender, will not be generally available until June and is not intended for general circulation. Collector coins will be available from early in the year.

Companies pin hopes on year-end exchange rates

By James Blitz, Economics Staff

TREASURY managers at UK companies were yesterday monitoring how sterling finally closed in 1992 against the dollar, the D-Mark and other currencies.

Companies which draw up their accounts at the end of the calendar year calculate the value of their overseas subsidiaries using the closing rate in London on December 31. In some cases the profits and losses from those subsidiaries will also be translated to the parent group's balance sheet using the exchange rates for that day.

Many treasury managers calculate profits and losses using the average exchange rate over the accounting year. But, even in these cases, the rate at the end of the calendar year is watched closely as a guide to how the average will come out.

Mr Derek Ross, a partner at accountancy firm Touche Ross, said the overall value of a company may change sharply

| END-OF-YEAR EXCHANGE RATES | | | |
|----------------------------|-------------|-------------|----------|
| | Dec 31 1991 | Dec 31 1992 | % change |
| DM/£ | 2.336 | 2.433 | 13.6 |
| \$/£ | 1.571 | 1.514 | 18.1 |
| Yen/£ | 233.6 | 180.0 | 19.2 |
| FF/£ | 9.898 | 8.365 | 13.7 |
| Sfr/£ | 2.595 | 2.216 | 12.5 |
| CS/£ | 2.193 | 1.934 | 10.6 |
| DM/\$ | 1.517 | 1.620 | 6.8 |
| Yen/\$ | 125.0 | 124.9 | 0.1 |
| Yen/DM | 62.0 | 77.09 | 6.4 |

because of sterling's devaluation. "Those companies with net assets overseas will find this weekend that the value of their holdings has increased because of sterling's devaluation."

The devaluation implied in the year-end rate can also change a company's gearing ratio and borrowing capacity. The debt-to-equity ratio can also change, depending on the extent of a company's overseas holdings, and this may have an impact on existing borrowing arrangements.

Mr Ross said that the recession had resulted in companies having larger borrowings than

usual. The devaluation as reflected in the end-of-year rates may have an adverse effect on gearing percentages.

British business will be in the front line of a new battle of Britain this year, Mr Peter Morgan, director-general of the Institute of Directors said in a New Year message to members.

"January 1 1993 is an important turning-point for the UK economy. Symbolically, it brings the European single market into existence while in real terms it opens a new year in which we do expect recovery from recession to begin," he said.

Chirpy GMTV greets the nation

"A CONVENTIONAL breakfast show this isn't," claimed the anchorman. At just after 8am on New Year's Day not too many viewers were around to dispute this proud boast for Good Morning Television, which yesterday took over the breakfast franchise from TV-am.

On the first morning of ITV's Big Bang the GMTV formula for greeting the nation appeared thoroughly conventional - cheerful, fast-paced, and resolutely populist.

On Thursday, the last rather

lugubrious morning for TV-am, one of the siller tributes paid was that the programme had stood for "very visual colour". The set of GMTV is certainly highly visual - a sunburst-yellow lounge with pink sofas and an Impressionist still-life.

The presenters are under 40 and as confident and chirpy as sparrows. Predictably, the top news story of the morning was Princess Diana on the Caribbean island of Nevis. GMTV had its own royal-watcher there who gushed predictable twaddle. Items on Somalia

and Slovakia came later. Body culture looks like being an important ingredient in the morning recipe, and not only features on health and exercise. A female fashion presenter modelled stretchy black underwear in the studio and a female travel reporter will do much of her work in a swimsuit.

Evidently GMTV has no aspirations to challenge its audience's intelligence. The technology reporter tackled an explanation of how potatoes can contain electricity by say-

ing dismissively: "Oh, it's all chemistry and that sort of thing." But it was a slick, confident debut.

Carlton Television's first contributions have been desperately banal. Yesterday afternoon's Surprise Party, presented by Michael Parkinson, was a reworking of This Is Your Life.

Richard Branson as the mystery personality was taken uncannily through his glorious career.

Patricia Morison

Smith urges return to 'active government'

By Alison Smith

REDUCING unemployment must be the overwhelming priority for this year, Mr John Smith, the Labour leader, said yesterday as he accused the government of complete inactivity on jobs.

He said Labour believed there should be a return to the idea of "active government" which could deal with the UK's problems by restoring the man-

ufacturing base, improving skill levels and providing better social services.

He contrasted the opposition's view with that of Mr John Major, who was simply "keeping his fingers crossed" and hoping that something would happen.

Mr Smith said on BBC radio: "There is no plan, no action, no drive on the part of this government to tackle Britain's over-riding problem."

"We're determined to run a campaign to make sure there is the maximum pressure on the government to make the next Budget a Budget for jobs and for economic recovery."

Mr Smith underlined Labour's commitment to an intensive campaign to force the government to act on unemployment.

The campaign may help draw the party together and take the emphasis away from

likely areas of tension and division. Mr John Prescott, the shadow transport secretary, said this week there were "clear divisions" in the party on proportional representation, Europe and trade union links.

Mr Prescott said that there were some party figures who seemed "to be wanting to believe that imagery and language are more important than the substance of ideas. I reject that view."

Sponsorship spending comes under the microscope

Companies want their arts expenditure to work harder for them, writes Deborah Hargreaves

BUSINESSES are taking a long, hard look at one area of expenditure that could be seen as less than essential in a recession: corporate sponsorship.

Royal Insurance set the tone this week when it decided to end its £700,000-a-year sponsorship of the Royal Shakespeare Company.

Mr Roy Randall of Royal Insurance said: "We certainly got a lot out of our association with the RSC, but in a recession, if dividends are not increasing you can expect that

some shareholders may not be as keen on it as we are."

Others are also reviewing the benefits of having their name on a programme when set against the cost.

Mr Robert Pennant-Jones, head of communications at British Petroleum, the UK oil group, said: "We're beginning to come to the conclusion that big national sponsorships are not as good for some of our operating compa-

nies as smaller local efforts."

BP spends about £800,000 a year on the arts and has a fairly extensive spread of sponsorship inherited from Mr Robert Horton, its former chairman, who was ousted last year.

The company remains committed to its present programme but it is not planning to take on any more sponsorships. BP will also be looking very hard at its existing commitments, which include the

National Portrait Gallery in London and Cardiff's Singer of the Year competition, when they come up for renewal.

Few companies appear to be looking for new events to sponsor while profits remain under pressure. Mr Ross Frost, sponsorship manager at Barclays Bank, said: "It simply means we can't expand." The bank spends about £1m a year on the arts, including sponsorship of the fringe theatre.

Corporate sponsorship can be crucial in creating an image for a company. BP, for example, sponsored a high-profile ecology exhibition at the Natural History Museum in London as a way of making a statement about its concern for the environment.

Sponsored events also provide a venue for corporate entertainment, where customers can go backstage and meet the cast of a play.

Privatised companies such as British Gas, which spends £10m a year on sponsorship, and British Telecom stress how sponsorship meets the need to put something back into the community.

Mr Bob Raggett at British Telecom, which spends £16m a year on sponsorship, said: "It is important for us to sponsor events which get the arts out to the people."

For example, the company

sponsored a tour of the Scottish islands by the Scottish Symphony Orchestra - the first time such a tour had been organised.

Even British Gas and British Telecom, with their deep pockets, are scrutinising their commitments. British Gas is reassessing its approach to sponsorship and charitable giving in the light of regulatory constraints, while British Telecom is responding to the cold economic climate by trying to get greater benefit from its sponsorship.

**On Jan 2, 1893
history was made
when the FT
turned pink.**

**On Jan 4, 1993
we'll be making
history again.**

On Monday January 4, the Financial Times will be celebrating 100 years of being pink. We'll be printing a 62 page souvenir issue as unique as the 1893 edition.

As well as a full size reproduction of that first pink paper, we'll be running articles on how and why we first turned pink.

But Monday the 4th isn't just a historic day for the FT, it's also the first working day of the European single market.

So, in addition to our usual news and features, we'll be devoting a section of that day's paper to analysing what the single market means to you and your business. So buy the FT on the 4th and don't miss the most collectable FT since Monday January 2, 1893.

FT. 100 years in the pink.

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700
Weekend January 2/January 3 1993

A cause for celebration

"TRY NOVELTIES for salesman's bait," wrote Goethe. "For novelties win everyone." Europe's single market, which officially started yesterday, is a welcome novelty, and not just for political and commercial salesmen seeking a winning slogan in a bleak winter. It comes into force at an unpropitious moment, with west and east Europeans beset by recession and upheaval. Yet hope sometimes finds its firmest footing in a time of gloom. Opening up closed industrial, service and financial sectors to more competition may cause short-term pain, but it is the best recipe for growth. Provided companies, individuals and governments grasp the opportunities, the single market offers Europe its best chance of prosperity.

Acrimony and fragmentation have characterised European politics in the past 12 months. But the Community deserves congratulation for enacting on time virtually all of a complex legislative programme, first outlined in 1985, allowing free movement of persons, goods, capital and services. Despite the impediments and imperfections remaining, the EC has pulled off an impressive feat. Placing the measures on the statute book was one thing. Making them work will be still harder. The EC faces four challenges. First, member countries will have to apply the rules firmly and equitably. The EC's new insistence on subsidiarity must not impede effective enforcement. Second, governments should seek ways of countering the currency instability, seen by many chief executives as undermining the single market's prospects of success.

Third, the new market must be outward rather than inward-looking. This is crucial for relations with North America and Japan, and also for allowing increased access for exports from central and eastern Europe - all the more important in view of the EC's plans for enlargement. Fourth, the single market must be made attractive and inspiring to Europe's citizens - at a time when 16m people in the EC are without jobs, and economic growth is the lowest since 1981-82. If the EC now faces difficulties, the story of the single market shows how such tests can be sur-

Living with the past

AS THE western powers struggle to redefine their international roles in the post-cold war political climate, the markets confront an equally difficult, if less newsworthy, set of adjustments. The case for optimism, at the start of a year that will see no more than a sickly economic growth in the developed world, is that some of the building blocks of a sounder economic and financial order are in place - not least a pattern of capital flows that begins to make global sense. In the 1980s the world's creditor countries recycled disproportionate sums to the United States, thereby diverting capital from potentially higher returns in the developing world. Today, in contrast, Latin America is once again emerging as a capital importer, after a decade in which its economies were throttled by debt and bad policy. Direct inward investment into China is contributing to such dramatic double-digit growth rates that there is a real, and awe-some, possibility that China might become the world's largest economy within a matter of decades. Meanwhile the dragon economies of Asia are hosting some of the world's biggest infrastructure projects, as well as playing their traditional game of export-led growth.

framework of the ERM. Having voluntarily sacrificed their monetary sovereignty, the larger member countries of the ERM then felt obliged to follow Germany in relaxing fiscal policy. As a result, Europe is now a capital importer, which slightly mars the more attractive picture of capital flows painted earlier; and the fiscal legacy of the ERM period raises questions about the ability of equities to resist the gravitational pull of any rise in long bond yields, especially in those countries that have improved their prospects for recovery by leaving the ERM.

Tide over
For Britain, where the public sector borrowing requirement threatens to top £50bn, compared with an annual institutional cash flow of just under £40bn, the question is acute. Yet despite fears of funding crises ahead, long gilt yields have not risen since sterling left the ERM. This suggests, first, that the markets do not expect the one-off rise in import prices after devaluation to leave an early mark on wage settlements. Perhaps, too, that inflation is assumed to be moderating at such a pace that the gilt market offers sufficiently high real returns to persuade international capital to tide the government over until growth permits a significant reduction in the PSBR.

Even so, UK equities are moving into more contentious territory. And there are still plenty of areas of instability around the globe. The currency markets have unfinished business in the ERM, where the French franc continues to be vulnerable. Japan, the only significant creditor country remaining, is in the throes of a banking crisis; its equity market persists in staying overvalued chiefly thanks to the manipulation of public sector pension funds. And there is a worryingly small flow of capital into the former communist bloc, which underlines the geopolitical, as well as the economic and financial risks, with which the markets must live. There are limits to what capital can achieve in the absence of political leadership. With Mr Clinton in the White House, leadership has another chance. Let us hope, in 1993, that the chance is grasped.

Policy mistakes
The snag is that the markets of the developed world are still scarred by the policy mistakes and exchange rate disequilibria of an earlier period. Conventional wisdom has it that the United States will lead the world out of recession, but more slowly than in previous economic cycles. With the private sector constrained by debt, the banking system fragile and fiscal policy less expansionary than it looks because of the debt interest burden and the cost of bank bail-outs, it is hard to quarrel with that verdict. The US is in no position, this time, to act as a locomotive for the world.

Tomorrow's world

Last year confirmed many of the gloomy forecasts made in January. FT writers, answering the most pressing questions for 1993, do not expect a great change in global fortunes - but there are one or two sparks of optimism

Last year was an *annus horribilis* for the Queen. It was an *annus horribilis* for Mr George Bush and Mr Neil Kinnock. But what sort of year was it for the reputation of the FT writers who were asked a year ago for their forecasts for 1992?

Joe Rogaly wondered whether the Labour party would win the general election. "Possibly, but not probably" was his answer, one that proved closer to the truth than the polls and most pundits. Asked whether George Bush would be beaten, Lionel Barber replied "no, but he will have a run for his money". He did, indeed, but then he was beaten.

Asked whether the economy faced a great depression, Samuel Brittan replied robustly that "this constant harping on the great depression is an enemy to serious thinking". Certainly, it did not happen in 1992. Barry Riley predicted that "all in all, you are likely to make some money on shares over 1992". So you were. Meanwhile, John Plender correctly predicted that UK house prices would fall in another year of gloom for home owners.

Martin Wolf predicted that the European Community's exchange rate mechanism would be realigned, which was hardly conventional wisdom a year ago. He also thought the Uruguay round of multilateral trade negotiations would be completed in 1992. He was right in judging the differences over agriculture too small to be an obstacle forever, but that agreement took longer than expected to reach.

John Lloyd argued correctly that there would not be a civil war in what used to be the Soviet Union, but noted that several small wars were raging already. Judy Dempsey said Serbia and Croatia would not make up, and also pointed to the dangers in other republics of the former Yugoslavia. Her warning was wise, as was the forecast from Roger Matthews that there would be no peace treaty between Arabs and Israelis in 1992. Meanwhile, Alexander Nicoll concluded that the Chinese Communist party would not go the way of the Communist party of the Soviet Union.

Finally, David Lascelles thought the First Earth Summit in Rio de Janeiro would be mostly hot air, but also hoped it would focus the world's minds. The summit was at least more successful than its host, Mr Fernando Collor de Mello, who resigned last week faced with impeachment.

In all, 1992 was a good year for FT forecasters. What a pity about the world.

Will there be a global recovery?

Martin Wolf writes: No, not in the countries of the Organisation for Economic Co-operation and Development as a whole, if recovery means substantially faster economic growth than the 1% per cent expected for 1992.

The OECD forecasts growth of aggregate OECD gross domestic product of 1.9 per cent between 1992 and 1993. Even this improvement is unlikely, unless the US economy achieves growth substantially greater than the 2.4 per cent now forecast.

The OECD believes Japan and Germany will grow by 2.3 per cent and 1.3 per cent, respectively, between 1992 and 1993. This is already far below the 3.1 per cent and 2.3 per cent forecast by the OECD last June. In the present recession, however, mainstream forecasters have tended to underestimate economic weakness. There is a good chance that the Japanese economy will grow very little between 1992 and 1993, while German GDP will shrink.

Will there be peace in the Balkans?

Edward Mortimer writes: Alas, most unlikely. The war in Bosnia might peter out, but only on the basis of a *de facto* Serb victory which neither the international community nor the Moslem losers would ever accept *de jure*. In this case the Moslems would prepare for another round, smuggling in weapons from Moslem states. On top of that, Croatia may have a go at recapturing territory lost to the Serbs in 1991, when the UN mandate in those areas expires in March.

In Serbia proper, clashes are likely between Serbs and Hungarians in Vojvodina, which could draw in Hungary; between Serbs and Moslems in the Sanjak; and above all between Serbs and the Albanians who form 90 per cent of the population in Kosovo. Both Albania and the Albanian minority in Macedonia would then be sorely tempted to help their kith and kin, which in turn could bring Serbian reprisals across their borders. It would not take much to upset the delicate balance in Macedonia between Slav majority and Al-



② Brazil's new man, Itamar Franco: a mission to reform



② Refugees from a ruined land: Yugoslavia's civil war is unlikely to be resolved and could even spread into a wider Balkan conflict



② Emergency in the ERM: will the Bundesbank help ease the pressure on Europe's fragile exchange rate system?



② Middle East: which is the best way to peace?



② China syndrome: Asia's new tiger begins to roar



② A not inconsiderable spell of calm weather ahead for Major



② President Clinton: Sick, Willy may succeed despite pitfalls



② International economy: can it pull out of reverse?

Nevertheless, the fundamentals which drove Israel and its Arab neighbours into talks still apply: the US is dominant in the region following the demise of the Soviet Union; all countries engaged in the negotiations have deep strategic and economic reasons for maintaining good relations with the US and the west; the ultimate alternative to peace - non-conventional war, possibly involving a resurgent Iran - scares everybody.

The Washington talks will almost certainly resume after the Clinton administration takes over. But, as the deportation crisis illustrates, the "window of opportunity" for peace may be narrowing. Awareness of this should spur all sides on to a breakthrough this year. But never discount the volatility of the conflict, which could as easily destroy the chance of agreements.

Where are the next global hotspots?

Edward Mortimer writes: The problem with the new world disorder is that almost anywhere can be a hotspot. Explosions can happen without detonating a superpower conflict, because there is only one superpower left. The disintegration of the other superpower has, however, left plenty of flammable material around - figuratively and, alas, literally. Watch for signs of a more truculent Russia, ready to intervene on behalf of Russian minorities in other ex-Soviet republics; most dangerous would be Ukraine.

Likewise watch Hungary, surrounded on three sides by countries with large Hungarian minorities, living on territory that was Hungarian before 1918. Further afield, Africa and the Middle East are full of unresolved conflicts. If US intervention appears to succeed in Somalia, there may be demand for it elsewhere, such as Sudan. In Asia, Cambodia seems almost certain to blow up again, as the Khmer Rouge is sabotaging the UN peace plan. Veteran communist rulers Deng Xiaoping of China, Kim Il Sung of North Korea and Fidel Castro of Cuba are presumed to be mortal. Should any of them pop off this year, the temperature would rise in and around their countries.

Will US President Bill Clinton get it wrong in the year ahead?

Jurek Martin writes: Probably not, unless he is simply overwhelmed by events. Lack of big-league experience notwithstanding, few presidents have come to the job so well prepared in policy terms, so keen to deploy a formidable intellect on practical problems, and with such highly developed political and

populist instincts. Critically, he may also be "lucky", if the recent modest improvement in the economy he is inheriting can be sustained and if the opposition Republicans remain in their present state of disarray.

The pitfalls are obvious: a double handful of external crises, which may require more US military involvement overseas and, relatively, less of his promised "laser beam" focus on the domestic and economic programme; structural issues at home, like healthcare, welfare and education reform, which will bring him up against powerful vested interests; and financial market scepticism about his determination to control the budget deficit.

But with the Democrats running Congress and as keen as Mr Clinton to end "gridlock", and with every new president enjoying a honeymoon of varying length, there is no reason why he should not have a productive first year. The betting is that the new policies to be set in train will more resemble in their longer-term impact the very different agenda of President Ronald Reagan's first year in 1981. For most new presidents life gets harder after year one, as the first mid-term elections to Congress loom.

Will reform continue in the former Soviet Union?

John Lloyd writes: Most things will get worse in Russia this year. The policies of President Boris Yeltsin and Yegor Gaidar began the march to the market. Mr Victor Chernomyrdin, the latter's successor as prime minister, must choose between continuing the (relatively) tight money policies brought in by the Gaidar team - and thus risk mass unemployment - and debauching the currency, courting financial collapse. The decisions which must be made this year - on the economy, the constitution, the integrity of the Russian state, the form of the Commonwealth of Independent States - should not be further postponed.

Ukraine has just begun economic reforms from a position of near hyperinflation, and with most of its industries suffering a severe loss of markets. In the three Baltic states - especially the Estonians - financial reforms have begun and have yet to hit employment.

The three Caucasian states of Armenia, Azerbaijan and Georgia are now all on militarised footing, their rascally economies (with the exception of the Azeri energy sector) ignored. The four central Asian states of Kirghizia, Tajikistan, Turkmenistan and Uzbekistan are suffering from a big market loss in Russia. Tajikistan is also rent with civil war.

Only Belarus in the west and Kazakhstan in the south remain relatively stable, so far avoiding both

Is Chinese economic reform set to last?

Alexander Nicoll writes: China's economic growth rate, at about 12 per cent, is probably the world's fastest in 1992, the result of a push for reform by 88-year-old Deng Xiaoping. Production, investment and exports have shot up. After 14 years, reform has considerable momentum, especially in the prosperous south. It is probably irreversible, even if it suffers setbacks as after the 1989 Tiananmen Square massacre.

Most of the economy is effectively in the private sector, and prices of many goods have been freed in 1992. But the bloated public sector presents huge challenges. Two doubts remain: when Deng dies, will economic reformers survive in power without him? More immediately, will fast growth lead to overheating and austerity - slowing reform - as did two previous booms? A third question looms ever larger: will economic freedom lead to greater pressure for political freedom? The Communist party is determined to resist such demands at any cost.

Will Brazil realise its potential as Latin America's economic powerhouse?

Stephen Fidler writes: No. Brazil seems determined not to lose its reputation as "the country of the future". Brazilians face more stagnation in 1993 or, worse, another ineffective economic shock plan.

The government is now fighting inflation by keeping real interest rates high - which is why the economy is so weak - but has not fundamentally addressed the core of the problem: a budget deficit of 40 per cent of GDP.

President Itamar Franco, who took office after the impeachment on corruption charges of Collor, seems inclined to lower interest rates to reactivate the economy. If he does, inflation will accelerate. But if he does not and interest rates stay high, the economy will remain weak.

Either way, many Brazilians are betting that 1993 will see another shock plan - unorthodox measures such as freezing bank deposits and fixing prices and wages, which will fall without necessary fiscal reform - in a vain attempt to magic away the country's problems.

Jury out on Kenyan experiment

Elections have left the country precariously balanced, write Michael Holman and Julian Ozanne

President Daniel arap Moi may come to look back on December 29 as the day he won an election but lost the authority to govern Kenya.

Yesterday the ruling party's manipulation of the country's first multi-party election for 26 years achieved what once seemed impossible. The country's three main opposition leaders announced the formation of a united front and vowed not to let Mr Moi assume power again.

Against the incongruous backdrop of new-year tinsel and bunting at a Nairobi hotel, they pledged to set aside past differences of personality and tribe to oust Mr Moi from the absolute power he has wielded for 14 years.

It is more easily said than done, and last night the opposition refused to reveal its hand. But it is clear that Kenya will never be the same again and now faces its most critical moment in history since independence from Britain in 1964.

The future is uncertain - the country is precariously balanced between further change and upheaval. At best Kenya will settle into a period of fragile stability as the three party leaders attempt to wrest power from an authoritarian president, or at least persuade him to share power in what would be a government of national unity. At worst, the nation will be thrown into civil strife.

Much will depend on whether Mr Moi, a reluctant democrat, can learn to live in an era which requires a degree of tolerance, compromise and transparency that he has lacked in 14 years of near unbridled power. Equally important will be the opposition's capacity to contain the passions of its supporters.

Whatever the outcome, Tuesday's polls have set Kenya irrevocably on the path of change.

Much is at stake, for Africa and the west. A successful transition from autocracy to democracy would revive hopes for the recovery of a rare African example of stability and growth. For the west it would mark the successful culmination of the policy of linkage between aid and good government: the imposition of a freeze on donor funds in November 1991 spurred Mr Moi to drop the ban on opposition parties a month later.

Failure would not only prove devastating for Kenya's 26m people. It would reverberate through a region scarred by tribalism, war and economic mismanagement, and act as a body blow to hopes for resuscitation of the continent as a whole, leaving western government reassessing the merits of pushing authoritarian states down the road of pluralism.

For Mr Moi the election has been a painful, even humiliating, experience. Hours after he cast his vote in a mountain retreat deep in the Rift Valley, the 68-year-old president lashed out at his tormentors - western governments - which twisted his arm, forcing him to introduce multi-party politics by "starving Kenya".

Few African leaders have proved as resistant to the continent's new wind of change. For nearly a quarter century the country had been an African role model and a leading recipient of western aid. Real growth in gross domestic product narrowly outpaced an annual population increase of 3.5-4 per cent. But from the mid-1980s Kenya's reputation



Kenyans showed their belief in democracy by queuing for hours to vote, but the experience has been painful for Mr Moi

became ever more tarnished by human rights abuses, economic mismanagement and corruption that ate away at reform attempts.

A year ago, the country became a test case: could international donors, by linking aid to good government, nudge an unwilling autocrat down the road towards democracy and economic transparency? And could democracy take root in a tribally based African nation after more than a quarter century of rotten one-party statism? For the moment, the jury is still out on the experiment.

Provisional results from 167 of the 188 constituencies

showed last night that, technically, Mr Moi and the ruling party Kanu are back in power, but the veteran leader has been badly mauled.

He has won the presidency against stiff competition from Mr Kenneth Matiba, but with only 36 per cent of the presidential poll against Mr Matiba's 27 per cent. In the parliamentary election Kanu was last night headed for a narrow majority, but only if the 12 MPs which can be nominated by the president are included in the total. Several of Mr Moi's most important heavy-weight supporters, such as Mr Ndolo Ayah, the foreign minister, and Mr Elijah Mwangale, the agriculture minister, were defeated in an election that claimed 14 cabinet ministers.

However, the opposition yesterday said that it did not accept the results of an election which, it claims, was "biasedly rigged" and marked by widespread intimidation, massive fraud and introduction of illegal ballot boxes.

Any electoral abuses, however, did not protect Mr Moi from the humiliating exposure of the depth of his unpopularity among the Kikuyu and Luo, Kenya's two largest tribes. Kanu failed to secure a single seat of 25 constituencies

in the Kikuyu homeland of Central Province and won only one seat in the Luo-dominated Nyanza Province. In the presidential poll Mr Moi won a mere 2.5 per cent of the vote in Central Province.

Should he try to govern in defiance of the opposition parties, he will be unable to include members of Kenya's most powerful and politically active tribes in his cabinet. Many political observers believe this will make it almost impossible for him to rule.

At a hasty meeting the three main opposition parties - Ford-Asili led by Mr Matiba, Ford-Kenya led by Mr Jara-

mogi Oginga Odinga and the Democratic party led by Mr Mwai Kibaki - said they were forming a united opposition front to "avert the imminent crisis in the country". They demanded fresh elections and said they were determined to prevent Mr Moi from assuming office. Behind these demands lies the considerable threat of violence which the opposition could initiate to bring the country to its knees.

As politicians, in government and in opposition, grope to come to terms with the new post-electoral reality, the role of western governments remains critical. Having initiated the process of change by freezing aid worth US\$350m-\$400m a year, they now have to keep pace with developments.

Like the Commonwealth and other observer groups, they have been reluctant to condemn the poll as "unfree and unfair", and inclined to argue in favour of a "second best" solution - in which Kenya is seen as having taken a "first step on the road to democracy" and Mr Moi remains in power, but faces the checks and balances provided by a powerful parliamentary opposition.

The US, Britain and other donors have to walk a delicate path between legitimising Mr Moi and recognising the power of the opposition. The performance of the opposition to date has not been distinguished, however, and its capacity to act as an effective coalition has yet to be proved.

The patient queues of voters were eloquent testimony to the belief of Kenyans in the ballot box, but the result showed that

democracy in Kenya remains dominated by tribalism. Thirty years after independence, ethnic loyalties and rivalries, not ideology determine voter allegiances.

In the weeks ahead, Mr Moi will surely continue to exploit these differences and seek to buy off opposition by persuasion, intimidation or patronage. In the meantime the opposition lacks the machinery to organise extra-parliamentary action such as a general strike. The trade union movement is weak and poorly led and it is unlikely that it could coordinate a strike or other protest. However, the ability of the opposition to call out tens of thousands of demonstrators on to the streets of Kenya is formidable, even if it cannot control the outcome.

Meanwhile, the political machinations under way are certain to distract attention from the most severe economic crisis Kenya has faced since independence, exacerbated by massive extra-budgetary funding of Kanu's election campaign.

Symptoms of the crisis include a rate of inflation now exceeding 40 per cent a year, money supply growth well above a target of 10 per cent, a soaring budget deficit and a continuing foreign exchange squeeze.

The population of 26m is set to double by 2010 and hunger for land is increasing in a country two-thirds arid or semi-arid and with no known mineral resources. The country's largest foreign exchange earner, tourism, has already been badly hit by fears of instability and violence.

Unless a political accommodation is reached, the economic decline will become irreversible and, as the economy falters and unemployment rises, the prospects for strife grow ominously greater.

When the curtains swung to a close at the end of Messiaen's *St Francis of Assisi* at the Opéra Bastille in Paris on Tuesday, it marked the end of a traumatic year at France's lavish new opera house.

The trouble started this summer when a set collapsed during a touring production of *Otello* in Seville, killing one singer and injuring 36 others. The tragedy aggravated the tension among the Bastille management. Mr Philippe Bélaïval resigned as chief executive in August, together with six senior colleagues. Then there was a furore over the new contract of his former foe, Mr Myung-whun Chung, now one of the highest-paid artistic directors in international opera.

The new management is beginning a critical year it must heal the scars of Seville and establish the Bastille as a centre of excellence in international opera. It may also confront a less sympathetic political climate if, as the opinion polls suggest, the ruling Socialists, who founded the Opéra Bastille, lose the March general elections and the right returns to power.

The litany of trials and tribulations is very different from the picture painted by President François Mitterrand in 1982 when he unveiled his plans for a new "people's opera". Paris opera was in the doldrums. The old Opéra Garnier was run down. The president envisaged a brand new opera house with

After the traumas of 1992, the new Paris opera house faces a critical year, says Alice Rawsthorn

Operatic melodrama

cheap seats, state-of-the-art acoustics and magnificent music.

The government spent almost FF3bn to build the 2,700-seat house at place de la Bastille. It is run as part of the Opéra de Paris together with the Garnier, now used for dance, and the smaller Opéra Comique. It has an annual budget of FF800m, of which the state provides 65 per cent. President Mitterrand in 1988 appointed Mr Pierre Bergé, one of his staunchest supporters and dubbed *Pierre le Panthère* for his ruthless style in running the Yves Saint-Laurent fashion house, as chairman of Opéra de Paris.

But the melodrama began even before the Bastille's opening. A string of resignations culminated in early 1989 with that of Mr Daniel Barenboim, the conductor, who stormed out as artistic director after a row with Mr Bergé. Mr Chung, then a comparatively obscure Korean conductor, succeeded him. The Opéra Bastille opened its first full opera, *Les Troyens* by Berlioz, in March 1990 to mixed reviews.

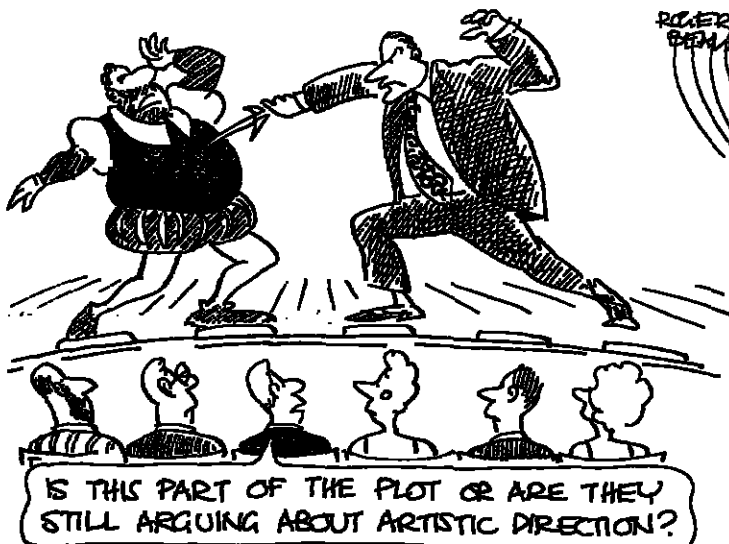
The reviews have remained mixed ever since. The Bastille is almost always full, with an audience of 382,890 last year. It has also had some success in fulfilling its populist mandate. Almost a third of its audience are first-time opera goers. But it has been haunted by

complaints about the building, a lacklustre response from the critics and more management problems.

"I'm French and I'm an opera buff, I want it to work," said Mr Alain Lompech, opera critic of the daily newspaper, *Le Monde*. "But there has only been one production good enough to launch Paris opera on the international arena - Shostakovich's *Lady Macbeth*, directed by Chung."

One obstacle is the glacial, modernist building, designed by Carlos Ott, which has been criticised on architectural and musical grounds. "It was a wonderful idea to build a new opera house, but the acoustics are not great and the theatre is a disaster," said Mr Max Loppert, the FT's opera critic. "The scale of the stage makes it difficult to put on anything other than the very biggest operas."

The Bastille is now mooting plans for a *Petite Salle* with 1,100 seats for smaller productions. However, its hopes of securing the state's financial support could be scuppered if the Conservatives win the March elections. Last time the right was in power, in the mid-1980s, it tried to scrap the Bastille project by calling a halt to the



building work. A future Conservative government might be less generous to the new opera house than the sympathetic Socialists.

Meanwhile, there is little the Bastille can do about its labyrinthine layout. "It's impossible to find your way around," said Mr Lompech. "I've been there dozens of

times but I'm still so confused that, whenever I leave my seat, I can't find my way back."

The Bastille has also been hounded by the strikes and stoppages that dogged the Garnier. The French government balked at adding a battle with the opera unions to its other difficulties

before the opening, so the new house retains the old union agreements, which have lumbered it with a high wage bill and rigid working practices. The "people's opera" is also burdened by high prices: tickets range from FF50 to FF500, but two-thirds cost more than FF200.

Mr Bélaïval spent his 20 months as chief executive in intricate negotiations, trying to thrash out a new union agreement. But this summer Mr Bergé intervened, and bowed to union pressure by extending the deadline for the negotiations from August to November. Mr Bélaïval, already facing a row with Mr Chung over who was to blame for the Seville disaster, resigned. The November deadline has passed, but the negotiations are still going on.

The union problems, combined with frequent management changes - Mr Bélaïval was the fourth chief executive to resign in as many years - have made it difficult for the Bastille to fulfil its creative potential. Mr Loppert's view is that it has "not lived up to expectations". Even Mr Chung admitted to *Le Monde* this autumn that he was unhappy with the quality of output and that, in three years, he had only been satisfied with one production, *Lady Macbeth*.

The Bastille desperately needs a period of stability to recover from the trauma of the Seville tour. So

far only half the injured singers have returned to work. Mr Chung must then get to grips with his music, while the management, under Mr Jean-Paul Ciuzel, the new chief executive, tackles the unions.

There are some positive signs. Mr Chung's new contract not only increases his financial package - which will rise from FF3.3m next year to FF6m at the end of his six-year term - but also considerably extends his power. "Until now he hasn't really had the chance to be anything other than a good conductor," said one critic. He now has complete control over programming and artistic policy, and will be consulted on some administrative issues.

Mr Ciuzel, meanwhile, is a high-flying bureaucrat, who has headed the Socialist's arts administration reforms but who also has the advantage of close contacts with the right, having worked for a Conservative minister in the mid-1980s. His ability to straddle both sides of the French political arena could prove invaluable to the opera house after the elections.

But if there is a change of government this spring, it seems doubtful that even Mr Ciuzel will be able to prevent the Opéra Bastille from being engulfed in a repetition of the mid-1980s power struggle between President Mitterrand and the Conservatives, particularly as Mr Bergé is so close to the president. The Opéra Bastille seems set for another melodramatic year.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Eye eye eye

From Mr Adrian P Hewitt.

Sir, Congratulations on producing a page III at last ("Fashion: Undercover guide to what to buy her", December 26). I am sure the use of Roman numerals will prevent any drift down-market.

Adrian Hewitt,
16 Framfield Road,
London N5 1UU

BBC low-cost TV stations

From Mr Gordon D Lean.

Sir, Re Raymond Snoddy's article, "Broadcasting newcomer promises cost-effective TV" (December 21), on the new approach to television which TSW is adopting in the West Country, we at the BBC have not been slow off the mark to adopt low-cost solutions when building new TV stations.

For the BBC World Service TV network, our engineers took the project from concept to reality in less than three months, creating a fully automated three-camera studio, editing and transmission suites, and a newsroom for a fraction of the cost of TSW's bid.

Following our fact-finding mission to Europe, a big saving for this 24-hour network was the use of fluorescent studio lights which removed the need for additional air conditioning. This was all completed in 1991. The network has been operating to an increasing worldwide audience ever since.

Gordon D Lean,
chief engineer,
news & current affairs,
BBC,
Television Centre,
Wood Lane, London W12 7RJ

No substitute for insuring safety of pensions benefits

From Mr Tom Shucksmith.

Sir, A central fund (Letters, December 24) is no answer at all to pensions protection. There can be no substitute for trustees ensuring there are adequate funds to secure at competitive insurance company rates the defined deferred benefits which fall to be preserved on winding-up on a guaranteed basis. It may be that some funds are so large that no UK insurance company is capable of accepting the risk and, in these circumstances, the substitution of money purchase benefits may be inevitable. Indeed, it should be available as an option to members of all wind-up schemes.

However, such options are no reason to permit the discharge of obligations by transfer payments to a discontinuance fund or other arrangements of lesser value than the insurance market cost of securing the defined benefits for each member. To substitute transfer values based on high assumed investment returns from equities is to substitute hope value for guaranteed benefits. Potential benefits, as a

supremism for expected benefits stripped of their guarantee, are not an acceptable substitute. The fact that, after completion of winding-up, a scheme no longer enjoys the financial support of the employer is an important factor which cannot simply be ignored.

Mr Cockbain's proposed discontinuance fund would be a solution if he and his partners personally guaranteed the deferred benefits to which members are entitled under preservation legislation. If they did, I suspect the "appropriate transfer payments" would be very much larger than they have in mind at present and that they would alter the proposed investment strategy radically away from equities and towards fixed-interest or index-linked securities which provide a much closer match to the liabilities to be met.

T S Shucksmith,
Shucksmith & Co,
consulting actuaries,
Lincoln House,
Nuttley Lane,
Reigate,
Surrey RH2 9HP

Onerous burden in order to satisfy Inland Revenue

From Mr R LeGrove.

Sir, The Q & A Briefcase item, "How to work out that CGT bill" (December 19), highlights the onerous burden that this tax imposes. I had rather similar calculations to perform earlier this year when I sold some accumulation units each tax voucher since March 1982 had to be indexed. I reached retirement age more than eight years ago but fortunately I am still sufficiently numerate to cope.

Monthly savings schemes and accumulation funds are, by their nature, most likely to be cashed in by elderly persons who had prudently been using them to make extra provision

for their old age. Many might find the calculations daunting if not altogether beyond them. Pensioners ought not to find themselves obliged to incur accountants' fees in order to satisfy the Inland Revenue: a very poor reward for thrift.

The sums involved are unlikely to be large and a budget concession absolving the elderly from CGT liability on savings schemes of these sorts would be most welcome. Something for the chancellor to think about when he has a moment to spare.

R LeGrove,
9 Manor Gardens,
Saxmundham,
Suffolk IP17 1ET

Palestinians exiled not deported

From Mr J P de Rooy.

Sir, I would like to point out your erroneous word usage in relation to the exile of 400 Palestinians. In most articles you use "deport", "deportee", and "deportation". ("Court rejects appeal to reverse Israeli expulsion of Palestinians", December 23). According to my dictionary, deportation is the "banishment of an undesirable alien to his native country". "Deportation" would imply the

Palestinians are "aliens", "undesirable" and that this practice by the Israeli government is lawful and within the right of any country.

The correct terminology should be either "exile" or "banishment". The term "expulsion" is preferable to "deportation".

J P de Rooy,
30 Copenhagen Gardens,
Southfield Road,
Chiswick, London W4 5NN

Inflation factor that makes early leavers the big pensions losers

From Mr Hugh Long.

Sir, Re Alan Smallbone's letter (December 30), I believe adequacy of pensions is more significant than security. Deferred members of defined benefits schemes subsidise schemes, via inflation, to provide promised benefits for the few who reach retirement with the same company.

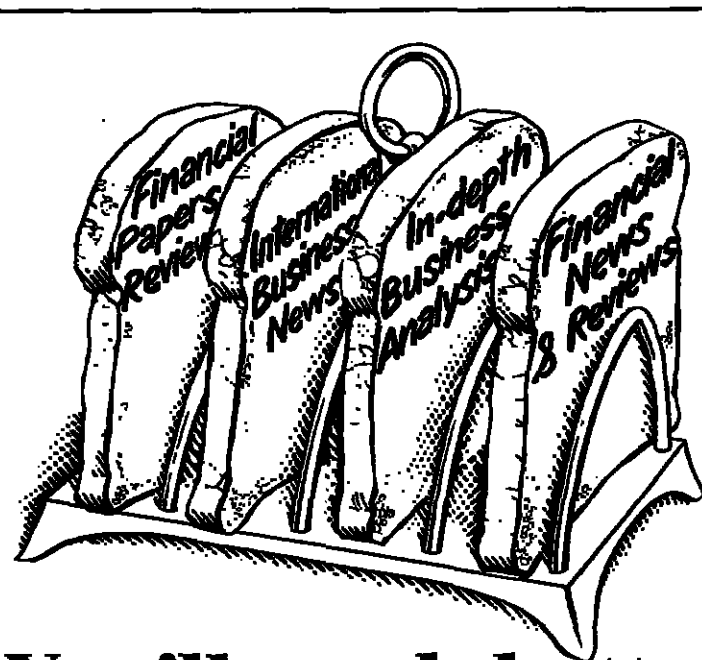
You have reported a well-known insurance company as calculating the shortfall for early leavers to be equivalent to a 70 per cent increase in

combined contributions to company schemes. I calculate that, nationally, the loss caused by inflation is about £20bn a year for early leavers.

Many deferred pensioners joined schemes as a condition of service. One can draw one's

own conclusions on the ethics of such schemes and government reluctance to act decisively to end completely the anomaly created by inflation.

Hugh Long,
67 Dartmouth Park Road,
London NW5 1SL



You'll work better after a proper business breakfast

From Monday January 4 Business Breakfast on BBC 1 will be first with all the business news. Expanded to a full hour from 6 to 7am every weekday, it will offer overnight business and financial news from around the world, and a full international news bulletin, sport and weather.

With live reports from New York, Tokyo and Europe, plus regular interviews with key decision-makers and politicians, Business Breakfast will be the definitive morning briefing for business people everywhere.



BBC News - Journalism you can trust.

COMMODITIES AND AGRICULTURE

YEAR IN THE MARKETS

Prices end back at square one after another turbulent year

RECESSION and continued turbulence in the former Soviet Union have left commodity prices little changed at the end of the year from those seen last January. But that bald statement belies the level of activity in the markets.

On the London Metal Exchange the flood of imports from the former Soviet Union pushed nickel prices sharply down and kept a firm lid on the aluminium market, where warehouse stocks now stand above 1.5m tonnes. The zinc market suffered a classic squeeze. Copper, still traded in sterling, appears to have risen sharply until the figures are converted to dollars - around \$1 a lb looks set to be the going rate this January as last.

Gold has fallen further, hit by an almost total lack of interest from investors. Both platinum and silver have continued to settle into their relatively new roles as industrial metals.

Cocoa and coffee prices have touched their lowest levels for 20 years or more before recovering. The lack of activity in the sugar market has left London with virtually no futures trading.

Gold fell to a six-year low in late March as it crashed through what many traders had seen as the last line of defence - \$342 a troy ounce. Persistent selling, some of it thought to be on behalf of an eastern European central bank, coincided with Ramadan, the Islamic fast, which kept most Middle Eastern operators away from the market.

By Easter gold was at a fresh low of \$336.80 a troy ounce, with dealers predicting that the price was bottoming out. They were proved right for a time as the market started to climb, brushing aside an announcement by the Belgian central bank that it had sold 202 tonnes from its reserves.

Platinum was also rising as South African unrest made users reluctant to go short in case of a miners' strike. In July the platinum price hit the year's high of just over \$900 a troy ounce. But some analysts pointed out that the market was ignoring weak demand from Japan and continuing recession in the US.

Gold reached its peak for the year of just under \$900 a troy ounce a few days after platinum - and then both markets slid steeply, leaving one analyst just two weeks later describing \$555 for gold as "like the Matterhorn". On one mid-August day gold fell by more than \$8 and platinum by \$16 a troy ounce.

The withdrawal of US investment funds sparked the gold fall, which was exacerbated by more news of central bank selling - this time from Uruguay, which unloaded 50,000 troy ounces in July in order to buy fixed term deposits denominated in US dollars and D-marks. Platinum slid along with the Japanese equity market.

The European currency market jitters of September gave some support to gold, but South African and Australian producers were able to lock in profits in their own currencies through forward selling. Gold has not had a good year. Middle East sales in November finished the battering from central bank sales and the total lack of investor interest and took the market to a 7-year low of \$339.50. It has not made much headway since, closing at \$333.05 a troy ounce on Thursday, down about \$20 on the year.

Platinum ended the year at \$555.25 a troy ounce, some \$20 above its price at the beginning of the year. Optimism about a recovery in Japanese demand and positive charts point to further gains, analysts believe.

Silver hit an 18-month low of \$64.75 cents at the end of August and closed at \$67.50 on Thursday, 20 cents down on the year. The biggest excitement of the year was the Saudi sale via the National Commercial Bank of Jeddah of \$160m worth of silver - equivalent to more than 10 per cent of world demand - in just two hours early in July, knocking more than 20 cents off the price.

Like most of the base metals, copper began the year in a fairly hopeful mood. Chilean strike fears and technical factors had helped to lift prices to 24-month highs by mid-February, before some of the gains were relinquished in response to reports that Russia, hungry for hard currency, was planning to cut export duties on the metal. In the spring talk of Chinese buying was partly counteracted by concern about the effects of a possible strike in Germany, one of the biggest importers of copper, but as London Metal Exchange warehouse stocks began to be reduced and US recovery hopes started to grow prices climbed to 12-month highs by mid-June.

Bullish sentiment continued - fuelled by concern about supply tightness, Polish labour tension, bad weather in Chilean producing areas and expected demand growth - and a month later copper prices stood at the highest level for 18 months.

From that point the picture becomes blurred by sterling's extreme weakness against the US dollar, in which base metals are traded worldwide. The effect of the pound's decline, most of which was concentrated in the dramatic mid-September devaluation, on copper prices is illustrated by the fact that the two-year sterling high reached in early November equated to a nine-month dollar low. And that factor has continued to dominate the market.

The three months copper price closed on Thursday at \$1,538 a tonne, \$250 up on the year. But once the currency disparity is stripped out the 12-month advance comes down to a much less impressive \$75 a tonne.

For lead, the LME's other sterling-denominated contract, the devaluation effect is even more pronounced, turning what would have been a \$80 fall into an apparent \$8 rise on the year, at \$206.75 a tonne for three months metal.

After a flat start to the year, depressed by sluggish car battery sales, the LME lead market found some support in production problems, notably in Italy and Yugoslavia, followed by signs of a technical squeeze on nearby supplies and reports of Chinese buying. Between them, and helped by the pound's weakness, these factors lifted the lead market to a 12-month peak in July. And that was exceeded in the September as a direct result of sterling's plunge. By the end of November, however, the market's fundamental weakness had been reassessed and prices were back to five-month lows.

Another LME market to feel the effects of a squeeze this year was zinc. Signs of the coming technical supply tightness were apparent from the start of the year, though they tended to be obscured by the effects of production problems in Italy, Peru, Canada, Mexico and the US, among others. Hopes of a US retail upturn were also cited as zinc prices reached 15-month highs in March.

But from then on the squeeze was the undoubted dominant factor. The normal "contango" situation, with the cash price at a discount to forward positions, was reversed in late March and the "backwardation", as a cash premium is known, widened inexorably until it reached an extraordinary \$189 a tonne in the middle of June.

In normal circumstances a backwardation would suggest a shortage of metal available for delivery, but that hardly fitted in with this year's sustained rise in LME warehouse stocks of zinc, which, by the time the cash premium appeared, had grown from 152,000 tonnes at the start of the year to 221,000 tonnes. It was clear, therefore, that some sort of distortion (not to say manipulation) was afoot. The exchange responded by imposing a descending ceiling on the one-day backwardation - is on the cost of carrying forward a short position for one day. The backwardation had disappeared by the end of July, though it made frequent reappearances before the squeeze, suspected to be the work of a group of producers, could confidently be said to be over in early October.

With fundamental considerations taking over direction of the market and the rise in LME stocks continuing the ensuing price slide saw the three months price retreat some \$300 from its summer level to end the year at \$1,079.50 a tonne, down \$35.50 on balance.

The aluminium market had been weighed down in 1992 by the unprecedented growth of the stockpile in LME warehouses, which began 1992 by passing the unwelcome milestone of 1m tonnes. There were hopes that the flood of metal from the former Soviet Union that had been largely responsible for swelling LME stocks would soon abate, especially in view of the inefficiency of smelters in the newly independent republics and their market economies. But the republics' hunger for hard currency proved greater than their commitment to industrial efficiency and with CIS exports remaining very high the LME stockpile grew by another 500,000 tonnes.

Perhaps surprisingly, the market took this pretty much in its stride and the three months LME price ended the year \$110 to the good at \$1,280.50 a tonne.

Gains early in the year were mostly lost in the summer as hopes of economic recovery faded and the gloomy truth about CIS export prospects became apparent. But in the latter part of the year the market was encouraged by the announcement of production cuts.

The biggest loser on the LME last year was nickel. The mood was bright enough early on as

traders looked forward to big production cuts in response to the low price level and, as with aluminium, a slackening of CIS exports. The former came too late, however, and the latter came not at all, and the six-month high seen in February proved to be the year's peak.

By the time LME of Canada instituted a round of output cuts in October nickel prices had fallen to two-year lows and LME stocks of the metal had risen by 300 per cent on the year so far to nearly 50,000 tonnes. In those circumstances the market was looking for an upturn in demand, especially in the stainless steel sector, to give it the necessary shot in the arm, not simply a reduction in output. Further production cuts were subsequently announced by Falconbridge of Canada, Cuba's state-run producer and Western Mining of Australia - amounting in all to nearly 38,000 tonnes in a full year, but the price slide continued and LME three months nickel closed on Thursday at \$6,023 a tonne, down \$1,192 on the year.

By comparison, the tin market had a good year. LME stocks rose by only 7.4 per cent to 14,710 tonnes and the three months price ended 1992 up \$240 at \$5,845 a tonne.

A life-of-contract low of \$5,485 had been registered at the beginning of the year but by mid-February the market was at a six-month high, reflecting concern about shipment delays from Brazil and Malaysia, the two biggest suppliers. The bullish mood continued throughout the first half, lifting the price to a 25-month high of \$5,950 a tonne, before a reaction was caused by Brazilian and Chinese selling and bearish technical factors. But the market was mov-

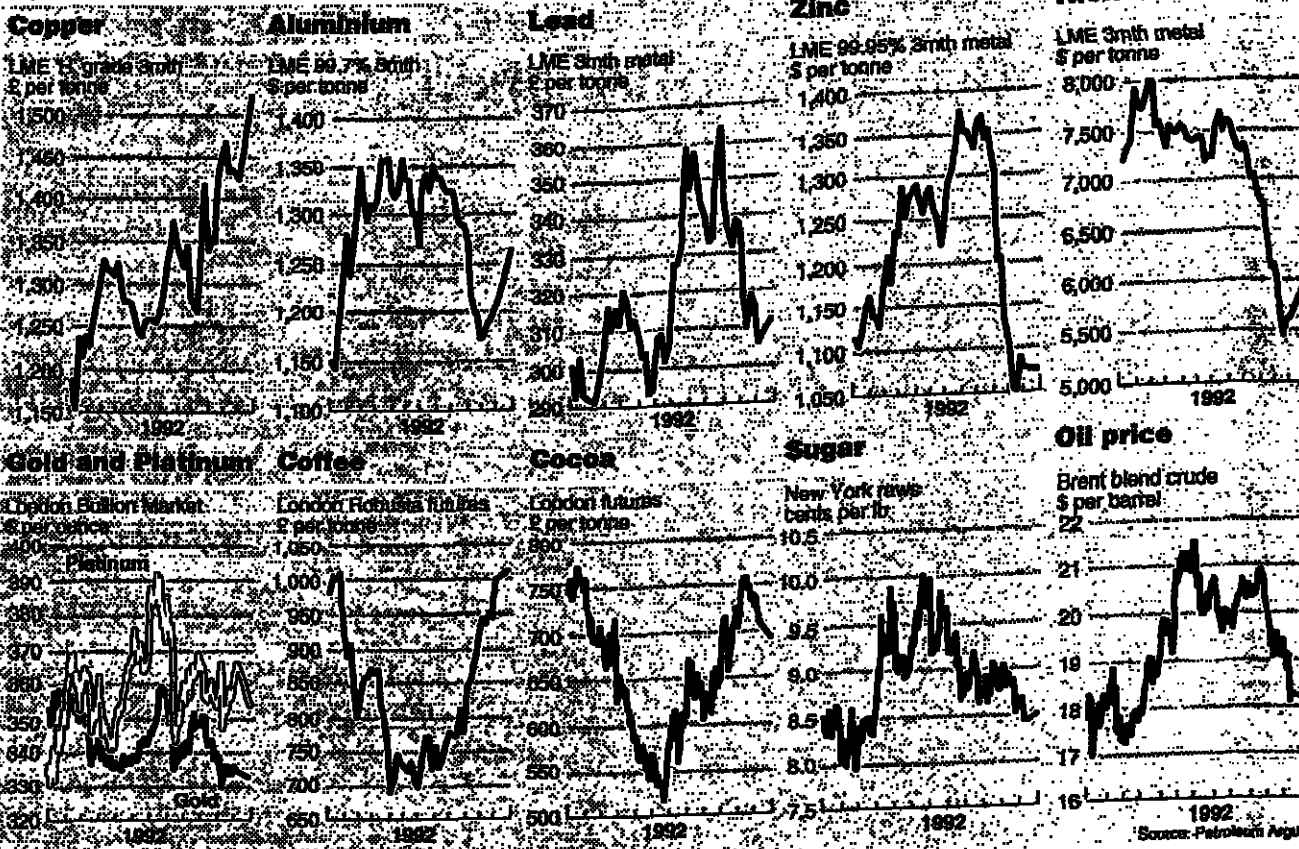
ing higher again before the new year, encouraged by buying in Kuala Lumpur and activity in the options market.

For the oil market in general 1992 proved a disappointing year and for members of the Organisation of Petroleum Exporting Countries a worrying one. Having started at the low level of about \$17 a barrel the Brent crude price was buoyed in the spring by optimism about the prospects for demand when the expected industrial recovery began. And the price moved above \$20 a barrel for the first time in six months when Opec ministers agreed unexpectedly in May to roll over its second quarter production ceiling of 22.98m b/d into the third quarter, rather than anticipate the rise in demand.

But by November, in the absence of the expected demand boost, the market was looking for Opec ministers to agree substantial production cuts at their meeting in Vienna. When this did not happen prices fell sharply and it took the political turmoil in Russia, the world's biggest producer, to lift Brent crude back above \$18 a barrel last month.

Of the softs, cocoa began the year in the most optimistic mood as the market looked forward eagerly to the first annual supply deficit for eight years. But, with collapsing demand from the former Soviet Union, hopes of higher prices proved to be a pipe dream, with the market falling to regain the 1991 peak of \$283 a tonne.

The second position contract on London Fox opened the year at \$745 a tonne. The market continued an almost unbroken decline for the next six months. The nadir came at the



traders looked forward to big production cuts in response to the low price level and, as with aluminium, a slackening of CIS exports. The former came too late, however, and the latter came not at all, and the six-month high seen in February proved to be the year's peak.

By the time LME of Canada instituted a round of output cuts in October nickel prices had fallen to two-year lows and LME stocks of the metal had risen by 300 per cent on the year so far to nearly 50,000 tonnes. In those circumstances the market was looking for an upturn in demand, especially in the stainless steel sector, to give it the necessary shot in the arm, not simply a reduction in output. Further production cuts were subsequently announced by Falconbridge of Canada, Cuba's state-run producer and Western Mining of Australia - amounting in all to nearly 38,000 tonnes in a full year, but the price slide continued and LME three months nickel closed on Thursday at \$6,023 a tonne, down \$1,192 on the year.

By comparison, the tin market had a good year. LME stocks rose by only 7.4 per cent to 14,710 tonnes and the three months price ended 1992 up \$240 at \$5,845 a tonne.

A life-of-contract low of \$5,485 had been registered at the beginning of the year but by mid-February the market was at a six-month high, reflecting concern about shipment delays from Brazil and Malaysia, the two biggest suppliers. The bullish mood continued throughout the first half, lifting the price to a 25-month high of \$5,950 a tonne, before a reaction was caused by Brazilian and Chinese selling and bearish technical factors. But the market was mov-

ing higher again before the new year, encouraged by buying in Kuala Lumpur and activity in the options market.

For the oil market in general 1992 proved a disappointing year and for members of the Organisation of Petroleum Exporting Countries a worrying one. Having started at the low level of about \$17 a barrel the Brent crude price was buoyed in the spring by optimism about the prospects for demand when the expected industrial recovery began. And the price moved above \$20 a barrel for the first time in six months when Opec ministers agreed unexpectedly in May to roll over its second quarter production ceiling of 22.98m b/d into the third quarter, rather than anticipate the rise in demand.

But by November, in the absence of the expected demand boost, the market was looking for Opec ministers to agree substantial production cuts at their meeting in Vienna. When this did not happen prices fell sharply and it took the political turmoil in Russia, the world's biggest producer, to lift Brent crude back above \$18 a barrel last month.

Of the softs, cocoa began the year in the most optimistic mood as the market looked forward eagerly to the first annual supply deficit for eight years. But, with collapsing demand from the former Soviet Union, hopes of higher prices proved to be a pipe dream, with the market falling to regain the 1991 peak of \$283 a tonne.

The second position contract on London Fox opened the year at \$745 a tonne. The market continued an almost unbroken decline for the next six months. The nadir came at the

end of June, when the second position contract fell to \$208 a tonne, the lowest level for more than 16 years. At these levels countries of origin, including the Ivory Coast, were reluctant to sell, and were also pinning some hope on the outcome of Geneva talks on a new international agreement.

The market began a slow climb back to more than \$750 a tonne in early November, given a boost by sterling's devaluation and an Ivory Coast decision to ban the sale of small beans. But London prices have ended close to \$700 a tonne, and it is worth noting that the nearby New York contract which began the year at \$1,245 a tonne, closed it at \$938.

The Economist Intelligence Unit is predicting a small deficit of 43,000 tonnes for 1992-93, while the US Agriculture Department estimates production and supply in balance at 2.35m tonnes. The EIU expects the next round of talks on a cocoa pact in February to end with a purely administrative pact, and is predicting prices to average about the same as in 1991 at 55 cents a lb.

Coffee prices, like cocoa, went into a steep slide from the beginning of the year. The London robusta market fell by more than \$300 to hit 22-year lows at the beginning of May. The high level of consumer stocks - 19m bags (60 kg each) - left producers with little option but to sell for what they could get.

Throughout the summer the market edged higher, keeping an eye on the International Coffee Organisation's internal negotiations on a new international agreement. The different supply and demand picture for robusta and arabica kept London steady while New York arabicas went below

50 cents a lb in September.

But by the end of October both markets were rallying strongly as traders enjoyed a total change in sentiment, mainly on perceptions of a smaller 1992-93 crop in Brazil, the biggest producer, and Colombia. In December, London's second position robusta contract broke through the \$1,000 a tonne level for the first time since January 8.

The EIU believes the recent rise has been overdone. Consumer stocks are still high and this month's ICO talks are likely to be inconclusive, pushing a new coffee agreement back to 1994.

The centre of gravity for world sugar prices has moved decisively from London to New York, where speculative money provides liquidity. The second position New York raw sugar futures contract has ranged between 8 and 10 cents a lb throughout the year - another market with more than enough production to satisfy demand. For much of the last few months the market has been stuck between 8.5 and 9 cents.

A narrow range, with depressingly low traded volumes, according to E.D. & F. Man's latest sugar report. But this contrasted with increased volumes of freely traded sugar following the dissolution of the Cuban trading arrangements with Comecon. Man pointed out:

A November report from the UN Food and Agricultural Organisation predicted trade expansion for sugar, but believed that by the turn of the century prices would still be about 10 cents a lb in 1990 terms.

By David Blackwell and Richard Mooney

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES

| Commodity | Latest price | Change on week | Year | High | Low |
|------------------------|--------------|----------------|------------|-----------|-----------|
| Gold per troy oz. | \$333.05 | +0.2 | \$263.35 | \$358.40 | \$332.30 |
| Silver per troy oz. | \$42.50p | -1.25 | \$208.0p | \$49.50p | \$17.50p |
| Aluminium 99.7% (cash) | \$1,227.5 | +1 | \$1,113.5 | \$1,339.0 | \$1,105.5 |
| Copper Grade A (cash) | \$1,521.0 | +54.5 | \$1,154.75 | \$1,521.0 | \$1,125.0 |
| Lead (cash) | \$296.5 | +2.5 | \$290.25 | \$296.5 | \$278.50 |
| Nickel (cash) | \$595.0 | +95 | \$715 | \$1,015.0 | \$531.5 |
| Zinc 99.95 (cash) | \$1,081.0 | +2.5 | \$1,062.5 | \$1,167.5 | \$1,019.0 |
| Tin (cash) | \$3,795 | -10 | \$3,557.5 | \$715.0 | \$1,715.0 |
| Cocoa Futures (May) | \$709 | | \$709 | \$751 | \$523 |
| Cocoa Futures (Mar) | \$702 | | \$702 | \$751 | \$523 |
| Sugar (LDP Raw) | \$211.0 | +6 | \$230.5 | \$272.6 | \$193 |
| Barley Futures (Jan) | \$132.00 | +0.9 | \$122.50 | \$138.10 | \$106.90 |
| Wheat Futures (Jan) | \$136.50 | +0.05 | \$129.40 | \$138.00 | \$109.85 |
| Cotton Outlook A Index | \$4.85 | +0.4 | \$1.35 | \$5.50 | \$2.35 |
| Wool (4s Super) | \$39p | +1 | \$41p | \$50p | \$40p |
| Oil (Brent Blend) | \$18.225x | -0.4 | \$17.875 | \$21.30 | \$17.00 |

Per tonne unless otherwise stated. Unquoted, p=premier, c=cash, b=basis.

London Markets

SPOT MARKETS

Cash oil (per barrel FOB) (Jan) + or -

Dubai \$16.15-16.20

Brent Blend (dies) \$17.40-17.50

Brent Blend (Feb) \$18.50-18.55

WTI (1st est) \$18.40-18.50

Oil prompt (NWE) prompt delivery per tonne CIF + or -

Premium Gasoline \$191-192 -0.5

Gas Oil \$179-180 -1

Heavy Fuel Oil \$73-74

Naphtha \$177-178 -2

Petroleum Argus Estimates

Other + or -

Gold (per troy oz.) \$333.05

Silver (per troy oz.) \$42.50p

 Platinum (per troy oz.) \$1,227.5 || Palladium (per troy oz.) \$1,521.0 | +0.45 |

Copper (US Producer) 102.0c

Lead (US Producer) 33.5c

Tin (Kuala Lumpur market) 14.8c

Tin (New York) 267.8c

Zinc (US Prime Western) 62.0c

Cattle (live weight) 114.8p

Pigs (live weight) 81.0p

Pigs (live weight) 81.0p

London daily sugar (raw) \$211.00 C

Tate and Lyle export price \$248.0 C

Barley (English feed) 114p

Maize (US No. 3 yellow) 114p

Wheat (US Dark Northern) 114p

Rubber (Feb) \$4.85

Rubber (Mar) \$4.75p C

Rubber (PL 155 No 1 Jan) \$21.5m

Cocunut oil (Philippines) \$475

Palm oil (Malaysia) \$47.5

Copra (Philippines) \$20.5

Soyabean (US) \$17.0

Cotton "A" index \$4.85

Wool (4s Super) 39p

C Rates shown for Dec 30. A t=tonne unless otherwise stated. p=prompt, c=cash, b=basis, f=futures, l=London, n=new, w=wheat, y=yellow, z=zinc.

Mar: London physical, SOF Rotterdam, B=Butter, M=Malaysia, S=Singapore, W=Western, Y=Yellow, Z=Zinc.

Change from a week ago, provisional prices

COCOA - London FOX

Close Previous High/Low

Mar 688 683 685 685

Jul 726 722 724 718

Sep 736 737 740 730

Dec 765 762 768 755

Mar 783 781 785 781

Turnover: 1151 (443) lots of 10 tonnes

ICO Indicative prices (80% per tonne). Daily price for Dec 28 730.15 (748.83) 10 day average for Dec 28 732.72 (732.41)

COFFEE - London FOX

Close Previous High/Low

Jan 1001 990 999 992

Mar 1025 1012 1022 1008

May 1054 1042 1054 1035

Jul 998 984 998 984

Turnover: 1301 (448) lots of 5 tonnes

ICO Indicative prices (80% per tonne). Daily price for Dec 28 730.15 (748.83) 10 day average for Dec 28 732.72 (732.41)

POTATOES - London FOX

Close Previous High/Low

Apr 63.7 63.7 63.7 63.7

May 70.5 70.5 70.5 70.5

Turnover: 0 (24) lots of 20 tonnes.

SOYABEANS - London FOX

Close Previous High/Low

Feb 167.00 167.00 167.00 167.00

Mar 167.00 167.00 167.00 167.00

Apr 167.00 167.00 167.00 167.00

May 167.00 167.00 167.00 167.00

Jun 167.00 167.00 167.00 167.00

Jul 167.00 167.00 167.00 167.00

Aug 167.00 167.00 167.00 167.00

Sep 167.00 167.00 167.00 167.00

Oct 167.00 167.00 167.00 167.00

Nov 167.00 167.00 167.00 167.00

Dec 167.00 167.00 167.00 167.00

Turnover: 1548 (2244) lots of 100 tonnes

GAS OIL - BPE

Close Previous High/Low

Jan 174.00 174.00 174.00 174.00

Feb 174.00 174.00 174.00 174.00

Mar 174.00 174.00 174.00 174.00

Apr 174.00 174.00 174.00 174.00

May 174.00 174.00 174.00 174.00

Jun 174.00 174.00 174.00 174.00

Jul 174.00 174.00 174.00 174.00

Aug 174.00 174.00 174.00 174.00

Sep 174.00 174.00 174.00 174.00

Oct 174.00 174.00 174.00 174.00

Nov 174.00 174.00 174.00 174.00

Dec 174.00 174.00 174.00 174.00

Turnover: N/A (8643) lots of 100 tonnes

SPICES

Most markets were dull because of the Christmas season and price levels were more or less unchanged, reports Man Production, Newbury positions in the cassia and cinnamon market were light, with demand light. Indonesian ka'wa cassia prices were \$2,240 a tonne for spot delivery, soyabean shipment supplies were \$1,490 a tonne, unchanged to weaker, with ka'wa at \$2,000 a tonne. Soyabean spot prices were unchanged, with shipment prices weak. Cassia new crop prices for January shipment was weaker, harvest expected to be less than last year.

PEBS - London FOX (Cash Settlement) p/b

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

An uncertain new year ahead

THE 1992 period will probably go down as one of the most volatile years of currency trading since the Bretton Woods system of fixed exchange rates collapsed in the early 1970s, writes James Bly.

In spite of the quiet trading of recent weeks, however, there is no reason to suppose that 1993 will bring a sustained period of calm.

For most of the last 12 months, dealers in foreign exchange markets have been obsessed with two burning questions: Is the US set for a sustained economic recovery? And will the Bundesbank seriously ease German monetary policy?

The first question is finding answers. Every new day brings evidence that the US economy is set to grow this year. This week, the US consumer confidence index rose to 76.3 per cent in December from 65.6 per cent the previous month. The leading indicators jumped to

0.8 per cent in November from October's 0.5 per cent.

But the market is as divided over the Bundesbank's intentions as ever. The case for expecting an early easing in monetary policy – and a weakening of the D-Mark – is strong. According to the Ifo Institute, Germany is set for a 0.5 per cent fall in GDP this year. In these circumstances, the Bundesbank has strong reasons to cut interest rates early in the 1993 first quarter.

"Failure to do so will intensify the extent of the economic slump in Germany, as well as breaking the current parity structure in the exchange rate mechanism," said Mr Neil McKinnon, chief economist at Citibank in London.

The spectre of inflation and high monetary growth, however, still hangs over the German central bank. In the spring, few economists would have believed that a 4 per cent percentage point cut in the Lon-

bard rate was all that the Bundesbank would yield by New Year's Day. And even now, it can be argued that monetary easing is as far off as ever.

The market was excited by the Bundesbank president's pre-Christmas comment that long-term interest rates could fall to 6 per cent by the end of 1993. But one European central banker said this week that bond dealers would only trade lower long-term rates if they believed the central bank had definitely cracked the inflationary spiral – which may only happen if Germany's short-term rates remain high.

He added: "This Bundesbank president does not want to go down in history as the one who prematurely succumbed to pressure to relax the reins on monetary supply."

As in the case of 1992, a 1993 year may be all about guessing how – and when – the Bundesbank will turn.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONDON FUTURES OPTIONS
200,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 2.33 | 5.99 | 0.25 |
| 101 | 2.59 | 5.74 | 0.41 |
| 102 | 2.84 | 5.49 | 0.57 |
| 103 | 3.09 | 5.24 | 0.73 |
| 104 | 3.34 | 4.99 | 0.89 |
| 105 | 3.59 | 4.74 | 1.05 |
| 106 | 3.84 | 4.49 | 1.21 |
| 107 | 4.09 | 4.24 | 1.37 |
| 108 | 4.34 | 3.99 | 1.53 |
| 109 | 4.59 | 3.74 | 1.69 |
| 110 | 4.84 | 3.49 | 1.85 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

FINANCIAL FUTURES AND OPTIONS

LIFFE LONDON FUTURES OPTIONS
200,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 2.33 | 5.99 | 0.25 |
| 101 | 2.59 | 5.74 | 0.41 |
| 102 | 2.84 | 5.49 | 0.57 |
| 103 | 3.09 | 5.24 | 0.73 |
| 104 | 3.34 | 4.99 | 0.89 |
| 105 | 3.59 | 4.74 | 1.05 |
| 106 | 3.84 | 4.49 | 1.21 |
| 107 | 4.09 | 4.24 | 1.37 |
| 108 | 4.34 | 3.99 | 1.53 |
| 109 | 4.59 | 3.74 | 1.69 |
| 110 | 4.84 | 3.49 | 1.85 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

LIFFE EURO DOLLAR FUTURES OPTIONS
100,000 units of 100%

| Strike | Call | Put | Settlement |
|--------|------|------|------------|
| 100 | 0.64 | 1.17 | 0.13 |
| 101 | 0.89 | 0.92 | 0.38 |
| 102 | 1.14 | 0.67 | 0.63 |
| 103 | 1.39 | 0.42 | 0.88 |
| 104 | 1.64 | 0.17 | 1.13 |
| 105 | 1.89 | 0.00 | 1.38 |
| 106 | 2.14 | 0.00 | 1.63 |
| 107 | 2.39 | 0.00 | 1.88 |
| 108 | 2.64 | 0.00 | 2.13 |
| 109 | 2.89 | 0.00 | 2.38 |
| 110 | 3.14 | 0.00 | 2.63 |

Estimated volume total, Calls 99 Puts 217
Previous day's open, Calls 10794 Puts 12947

| City | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 | 2101 | 2102 | 2103 | 2104 | 2105 | 2106 | 2107 | 2108 | 2109 | 2110 | 2111 | 2112 | 2113 | 2114 | 2115 | 2116 | 2117 | 2118 | 2119 | 2120 | 2121 | 2122 | 2123 | 2124 | 2125 | 2126 | 2127 | 2128 | 2129 | 2130 | 2131 | 2132 | 2133 | 2134 | 2135 | 2136 | 2137 | 2138 | 2139 | 2140 | 2141 | 2142 | 2143 | 2144 | 2145 | 2146 | 2147 | 2148 | 2149 | 2150 | 2151 | 2152 | 2153 | 2154 | 2155 | 2156 | 2157 | 2158 | 2159 | 2160 | 2161 | 2162 | 2163 | 2164 | 2165 | 2166 | 2167 | 2168 | 2169 | 2170 | 2171 | 2172 | 2173 | 2174 | 2175 | 2176 | 2177 | 2178 | 2179 | 2180 | 2181 | 2182 | 2183 | 2184 | 2185 | 2186 | 2187 | 2188 | 2189 | 2190 | 2191 | 2192 | 2193 | 2194 | 2195 | 2196 | 2197 | 2198 | 2199 | 2200 | 2201 | 2202 | 2203 | 2204 | 2205 | 2206 | 2207 | 2208 | 2209 | 2210 | 2211 | 2212 | 2213 | 2214 | 2215 | 2216 | 2217 | 2218 | 2219 | 2220 | 2221 | 2222 | 2223 | 2224 | 2225 | 2226 | 2227 | 2228 | 2229 | 2230 | 2231 | 2232 | 2233 | 2234 | 2235 | 2236 | 2237 | 2238 | 2239 | 2240 | 2241 | 2242 | 2243 | 2244 | 2245 | 2246 | 2247 | 2248 | 2249 | 2250 | 2251 | 2252 | 2253 | 2254 | 2255 | 2256 | 2257 | 2258 | 2259 | 2260 | 2261 | 2262 | 2263 | 2264 | 2265 | 2266 | 2267 | 2268 | 2269 | 2270 | 2271 | 2272 | 2273 | 2274 | 2275 | 2276 | 2277 | 2278 | 2279 | 2280 | 2281 | 2282 | 2283 | 2284 | 2285 | 2286 | 2287 | 2288 | 2289 | 2290 | 2291 | 2292 | 2293 | 2294 | 2295 | 2296 | 2297 | 2298 | 2299 | 2300 | 2301 | 2302 | 2303 | 2304 | 2305 | 2306 | 2307 | 2308 | 2309 | 2310 | 2311 | 2312 | 2313 | 2314 | 2315 | 2316 | 2317 | 2318 | 2319 | 2320 | 2321 | 2322 | 2323 | 2324 | 2325 | 2326 | 2327 | 2328 | 2329 | 2330 | 2331 | 2332 | 2333 | 2334 | 2335 | 2336 | 2337 | 2338 | 2339 | 2340 | 2341 | 2342 | 2343 | 2344 | 2345 | 2346 | 2347 | 2348 | 2349 | 2350 | 2351 | 2352 | 2353 | 2354 | 2355 | 2356 | 2357 | 2358 | 2359 | 2360 | 2361 | 2362 | 2363 | 2364 | 2365 | 2366 | 2367 | 2368 | 2369 | 2370 | 2371 | 2372 | 2373 | 2374 | 2375 | 2376 | 2377 | 2378 | 2379 | 2380 | 2381 | 2382 | 2383</ |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|

[illegible]

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128

Continued on next page

هكذا من الأصل

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

[illegible]

INVESTMENT TRUSTS - Cont[illegible][illegible]

| | | | |
|---------------------------|---------|------|---------|
| I & S Kwik Stop Corp. | 79 | | 95 |
| Warrants | 22 | +1 | 26 |
| Investment Corp. | 40 1/2 | | 40 |
| Warrants | 6 1/2 | | 6 |
| Investors Club | 129 1/2 | +1/2 | 129 |
| John Inc. <i>PK</i> | 65 | | 64 |
| Common | 25 | | 24 |
| Jupiter Sam. | 37 1/2 | | 38 |
| Warrants | 15 | | 15 |
| Johns & Co. <i>PI</i> | 44 1/2 | | 44 1/2 |
| Warrants | 428 | -1 | 426 |
| Johnson Charter | 189 | | 189 |
| Johnson Dev | 250 | | 250 |
| Johnson & Co. | 170 | +2 | 172 |
| Johnson High Inc. | 91 | | 90 |
| Johns Dr <i>PI</i> | 148 | | 149 1/2 |
| Johnson & Co. | 182 | | 184 1/2 |
| Johnson & Co. | 121 | | 121 |
| Korea-Europe | 315 | | 300 |
| Korea American S. | 367 | | 362 |
| Korea United S. | 12 | | 12 |
| Warrants | 47 | | 63 |
| Lad Debutants <i>PI</i> | 849 | +1 | 848 |
| Ladco | 105 | | 105 |
| Lloyds Stock Picking Inc. | 86 | | 109 |
| Dividend | 30 1/2 | | 40 |

| | | |
|--------------------|------|------|
| Lox Atlantic | 72 | 85 |
| Lox & Straits | 135 | 188 |
| Lowland | 230 | 230 |
| M & G Deal Inc. | 418 | 483 |
| Cap | 1880 | 1880 |
| M & G Income loc M | 374 | 45 |
| Cap | 154 | 184 |
| Package Units | 180 | 188 |
| Guard Units | 52 | 622 |
| Zaco Div Pnt | 484 | 482 |
| M & G Income loc M | 214 | |

[illegible]

| | | | | |
|-------------------|-----|----|-----|-----|
| New Frontier | 57 | +1 | 80 | 4 |
| Omni TV in L'Oron | 594 | + | 594 | 27 |
| Omni TV | 6 | | 6 | 1 |
| One Thing Inc. | 7 | | 7 | 24 |
| Opus | 8 | | 8 | 29 |
| Orion | 9 | | 9 | 3 |
| Orion Warrick | 10 | | 10 | 30 |
| Orion Warrick | 11 | | 11 | 35 |
| Orion Warrick | 12 | | 12 | 37 |
| Orion Warrick | 13 | | 13 | 38 |
| Orion Warrick | 14 | | 14 | 39 |
| Orion Warrick | 15 | | 15 | 40 |
| Orion Warrick | 16 | | 16 | 41 |
| Orion Warrick | 17 | | 17 | 42 |
| Orion Warrick | 18 | | 18 | 43 |
| Orion Warrick | 19 | | 19 | 44 |
| Orion Warrick | 20 | | 20 | 45 |
| Orion Warrick | 21 | | 21 | 46 |
| Orion Warrick | 22 | | 22 | 47 |
| Orion Warrick | 23 | | 23 | 48 |
| Orion Warrick | 24 | | 24 | 49 |
| Orion Warrick | 25 | | 25 | 50 |
| Orion Warrick | 26 | | 26 | 51 |
| Orion Warrick | 27 | | 27 | 52 |
| Orion Warrick | 28 | | 28 | 53 |
| Orion Warrick | 29 | | 29 | 54 |
| Orion Warrick | 30 | | 30 | 55 |
| Orion Warrick | 31 | | 31 | 56 |
| Orion Warrick | 32 | | 32 | 57 |
| Orion Warrick | 33 | | 33 | 58 |
| Orion Warrick | 34 | | 34 | 59 |
| Orion Warrick | 35 | | 35 | 60 |
| Orion Warrick | 36 | | 36 | 61 |
| Orion Warrick | 37 | | 37 | 62 |
| Orion Warrick | 38 | | 38 | 63 |
| Orion Warrick | 39 | | 39 | 64 |
| Orion Warrick | 40 | | 40 | 65 |
| Orion Warrick | 41 | | 41 | 66 |
| Orion Warrick | 42 | | 42 | 67 |
| Orion Warrick | 43 | | 43 | 68 |
| Orion Warrick | 44 | | 44 | 69 |
| Orion Warrick | 45 | | 45 | 70 |
| Orion Warrick | 46 | | 46 | 71 |
| Orion Warrick | 47 | | 47 | 72 |
| Orion Warrick | 48 | | 48 | 73 |
| Orion Warrick | 49 | | 49 | 74 |
| Orion Warrick | 50 | | 50 | 75 |
| Orion Warrick | 51 | | 51 | 76 |
| Orion Warrick | 52 | | 52 | 77 |
| Orion Warrick | 53 | | 53 | 78 |
| Orion Warrick | 54 | | 54 | 79 |
| Orion Warrick | 55 | | 55 | 80 |
| Orion Warrick | 56 | | 56 | 81 |
| Orion Warrick | 57 | | 57 | 82 |
| Orion Warrick | 58 | | 58 | 83 |
| Orion Warrick | 59 | | 59 | 84 |
| Orion Warrick | 60 | | 60 | 85 |
| Orion Warrick | 61 | | 61 | 86 |
| Orion Warrick | 62 | | 62 | 87 |
| Orion Warrick | 63 | | 63 | 88 |
| Orion Warrick | 64 | | 64 | 89 |
| Orion Warrick | 65 | | 65 | 90 |
| Orion Warrick | 66 | | 66 | 91 |
| Orion Warrick | 67 | | 67 | 92 |
| Orion Warrick | 68 | | 68 | 93 |
| Orion Warrick | 69 | | 69 | 94 |
| Orion Warrick | 70 | | 70 | 95 |
| Orion Warrick | 71 | | 71 | 96 |
| Orion Warrick | 72 | | 72 | 97 |
| Orion Warrick | 73 | | 73 | 98 |
| Orion Warrick | 74 | | 74 | 99 |
| Orion Warrick | 75 | | 75 | 100 |
| Orion Warrick | 76 | | 76 | 101 |
| Orion Warrick | 77 | | 77 | 102 |
| Orion Warrick | 78 | | 78 | 103 |
| Orion Warrick | 79 | | 79 | 104 |
| Orion Warrick | 80 | | 80 | 105 |
| Orion Warrick | 81 | | 81 | 106 |
| Orion Warrick | 82 | | 82 | 107 |
| Orion Warrick | 83 | | 83 | 108 |
| Orion Warrick | 84 | | 84 | 109 |
| Orion Warrick | 85 | | 85 | 110 |
| Orion Warrick | 86 | | 86 | 111 |
| Orion Warrick | 87 | | 87 | 112 |
| Orion Warrick | 88 | | 88 | 113 |
| Orion Warrick | 89 | | 89 | 114 |
| Orion Warrick | 90 | | 90 | 115 |

| | | |
|------|-------|-------|
| 68 | 73.9 | 22 |
| 6.9 | - | 35 |
| - | 63.2 | 61 |
| 13.1 | - | 103.0 |
| - | 103.0 | 61 |
| 2.9 | 144.7 | 17 |
| 8.4 | 104.4 | 30 |
| 4.4 | 108.1 | 10 |
| ± | 285.8 | 35 |
| 16.1 | 67.0 | -1 |
| - | - | - |
| 1.4 | 317.5 | 18 |
| 0.5 | 298.6 | 3 |
| 8.8 | 35.9 | 19 |
| 2.4 | 183.8 | 24 |
| 1.6 | 114.8 | 14 |
| 2.6 | 75.5 | -8 |
| 3.7 | 267.9 | 21 |
| 1.4 | 155.5 | 30 |
| 2.3 | - | - |
| - | 50.1 | 5 |
| 5.1 | - | - |
| 8.8 | - | - |
| 3.3 | 385.1 | 19 |
| 9.5 | - | - |
| - | 44.5 | 40 |
| 10.3 | 88.7 | -4 |
| 12.4 | - | - |
| - | 28.2 | 34 |
| 10.4 | - | - |
| - | 141.4 | 58 |
| 3.9 | - | - |
| 5.4 | 104.4 | 7.6 |
| 11.2 | - | - |

هكذا من الأهل

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

| Trust Name | Price | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 | 1985 | 1984 | 1983 | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 | 1973 | 1972 | 1971 | 1970 | 1969 | 1968 | 1967 | 1966 | 1965 | 1964 | 1963 | 1962 | 1961 | 1960 | 1959 | 1958 | 1957 | 1956 | 1955 | 1954 | 1953 | 1952 | 1951 | 1950 | 1949 | 1948 | 1947 | 1946 | 1945 | 1944 | 1943 | 1942 | 1941 | 1940 | 1939 | 1938 | 1937 | 1936 | 1935 | 1934 | 1933 | 1932 | 1931 | 1930 | 1929 | 1928 | 1927 | 1926 | 1925 | 1924 | 1923 | 1922 | 1921 | 1920 | 1919 | 1918 | 1917 | 1916 | 1915 | 1914 | 1913 | 1912 | 1911 | 1910 | 1909 | 1908 | 1907 | 1906 | 1905 | 1904 | 1903 | 1902 | 1901 | 1900 | 1899 | 1898 | 1897 | 1896 | 1895 | 1894 | 1893 | 1892 | 1891 | 1890 | 1889 | 1888 | 1887 | 1886 | 1885 | 1884 | 1883 | 1882 | 1881 | 1880 | 1879 | 1878 | 1877 | 1876 | 1875 | 1874 | 1873 | 1872 | 1871 | 1870 | 1869 | 1868 | 1867 | 1866 | 1865 | 1864 | 1863 | 1862 | 1861 | 1860 | 1859 | 1858 | 1857 | 1856 | 1855 | 1854 | 1853 | 1852 | 1851 | 1850 | 1849 | 1848 | 1847 | 1846 | 1845 | 1844 | 1843 | 1842 | 1841 | 1840 | 1839 | 1838 | 1837 | 1836 | 1835 | 1834 | 1833 | 1832 | 1831 | 1830 | 1829 | 1828 | 1827 | 1826 | 1825 | 1824 | 1823 | 1822 | 1821 | 1820 | 1819 | 1818 | 1817 | 1816 | 1815 | 1814 | 1813 | 1812 | 1811 | 1810 | 1809 | 1808 | 1807 | 1806 | 1805 | 1804 | 1803 | 1802 | 1801 | 1800 | 1799 | 1798 | 1797 | 1796 | 1795 | 1794 | 1793 | 1792 | 1791 | 1790 | 1789 | 1788 | 1787 | 1786 | 1785 | 1784 | 1783 | 1782 | 1781 | 1780 | 1779 | 1778 | 1777 | 1776 | 1775 | 1774 | 1773 | 1772 | 1771 | 1770 | 1769 | 1768 | 1767 | 1766 | 1765 | 1764 | 1763 | 1762 | 1761 | 1760 | 1759 | 1758 | 1757 | 1756 | 1755 | 1754 | 1753 | 1752 | 1751 | 1750 | 1749 | 1748 | 1747 | 1746 | 1745 | 1744 | 1743 | 1742 | 1741 | 1740 | 1739 | 1738 | 1737 | 1736 | 1735 | 1734 | 1733 | 1732 | 1731 | 1730 | 1729 | 1728 | 1727 | 1726 | 1725 | 1724 | 1723 | 1722 | 1721 | 1720 | 1719 | 1718 | 1717 | 1716 | 1715 | 1714 | 1713 | 1712 | 1711 | 1710 | 1709 | 1708 | 1707 | 1706 | 1705 | 1704 | 1703 | 1702 | 1701 | 1700 | 1699 | 1698 | 1697 | 1696 | 1695 | 1694 | 1693 | 1692 | 1691 | 1690 | 1689 | 1688 | 1687 | 1686 | 1685 | 1684 | 1683 | 1682 | 1681 | 1680 | 1679 | 1678 | 1677 | 1676 | 1675 | 1674 | 1673 | 1672 | 1671 | 1670 | 1669 | 1668 | 1667 | 1666 | 1665 | 1664 | 1663 | 1662 | 1661 | 1660 | 1659 | 1658 | 1657 | 1656 | 1655 | 1654 | 1653 | 1652 | 1651 | 1650 | 1649 | 1648 | 1647 | 1646 | 1645 | 1644 | 1643 | 1642 | 1641 | 1640 | 1639 | 1638 | 1637 | 1636 | 1635 | 1634 | 1633 | 1632 | 1631 | 1630 | 1629 | 1628 | 1627 | 1626 | 1625 | 1624 | 1623 | 1622 | 1621 | 1620 | 1619 | 1618 | 1617 | 1616 | 1615 | 1614 | 1613 | 1612 | 1611 | 1610 | 1609 | 1608 | 1607 | 1606 | 1605 | 1604 | 1603 | 1602 | 1601 | 1600 | 1599 | 1598 | 1597 | 1596 | 1595 | 1594 | 1593 | 1592 | 1591 | 1590 | 1589 | 1588 | 1587 | 1586 | 1585 | 1584 | 1583 | 1582 | 1581 | 1580 | 1579 | 1578 | 1577 | 1576 | 1575 | 1574 | 1573 | 1572 | 1571 | 1570 | 1569 | 1568 | 1567 | 1566 | 1565 | 1564 | 1563 | 1562 | 1561 | 1560 | 1559 | 1558 | 1557 | 1556 | 1555 | 1554 | 1553 | 1552 | 1551 | 1550 | 1549 | 1548 | 1547 | 1546 | 1545 | 1544 | 1543 | 1542 | 1541 | 1540 | 1539 | 1538 | 1537 | 1536 | 1535 | 1534 | 1533 | 1532 | 1531 | 1530 | 1529 | 1528 | 1527 | 1526 | 1525 | 1524 | 1523 | 1522 | 1521 | 1520 | 1519 | 1518 | 1517 | 1516 | 1515 | 1514 | 1513 | 1512 | 1511 | 1510 | 1509 | 1508 | 1507 | 1506 | 1505 | 1504 | 1503 | 1502 | 1501 | 1500 | 1499 | 1498 | 1497 | 1496 | 1495 | 1494 | 1493 | 1492 | 1491 | 1490 | 1489 | 1488 | 1487 | 1486 | 1485 | 1484 | 1483 | 1482 | 1481 | 1480 | 1479 | 1478 | 1477 | 1476 | 1475 | 1474 | 1473 | 1472 | 1471 | 1470 | 1469 | 1468 | 1467 | 1466 | 1465 | 1464 | 1463 | 1462 | 1461 | 1460 | 1459 | 1458 | 1457 | 1456 | 1455 | 1454 | 1453 | 1452 | 1451 | 1450 | 1449 | 1448 | 1447 | 1446 | 1445 | 1444 | 1443 | 1442 | 1441 | 1440 | 1439 | 1438 | 1437 | 1436 | 1435 | 1434 | 1433 | 1432 | 1431 | 1430 | 1429 | 1428 | 1427 | 1426 | 1425 | 1424 | 1423 | 1422 | 1421 | 1420 | 1419 | 1418 | 1417 | 1416 | 1415 | 1414 | 1413 | 1412 | 1411 | 1410 | 1409 | 1408 | 1407 | 1406 | 1405 | 1404 | 1403 | 1402 | 1401 | 1400 | 1399 | 1398 | 1397 | 1396 | 1395 | 1394 | 1393 | 1392 | 1391 | 1390 | 1389 | 1388 | 1387 | 1386 | 1385 | 1384 | 1383 | 1382 | 1381 | 1380 | 1379 | 1378 | 1377 | 1376 | 1375 | 1374 | 1373 | 1372 | 1371 | 1370 | 1369 | 1368 | 1367 | 1366 | 1365 | 1364 | 1363 | 1362 | 1361 | 1360 | 1359 | 1358 | 1357 | 1356 | 1355 | 1354 | 1353 | 1352 | 1351 | 1350 | 1349 | 1348 | 1347 | 1346 | 1345 | 1344 | 1343 | 1342 | 1341 | 1340 | 1339 | 1338 | 1337 | 1336 | 1335 | 1334 | 1333 | 1332 | 1331 | 1330 | 1329 | 1328 | 1327 | 1326 | 1325 | 1324 | 1323 | 1322 | 1321 | 1320 | 1319 | 1318 | 1317 | 1316 | 1315 | 1314 | 1313 | 1312 | 1311 | 1310 | 1309 | 1308 | 1307 | 1306 | 1305 | 1304 | 1303 | 1302 | 1301 | 1300 | 1299 | 1298 | 1297 | 1296 | 1295 | 1294 | 1293 | 1292 | 1291 | 1290 | 1289 | 1288 | 1287 | 1286 | 1285 | 1284 | 1283 | 1282 | 1281 | 1280 | 1279 | 1278 | 1277 | 1276 | 1275 | 1274 | 1273 | 1272 | 1271 | 1270 | 1269 | 1268 | 1267 | 1266 | 1265 | 1264 | 1263 | 1262 | 1261 | 1260 | 1259 | 1258 | 1257 | 1256 | 1255 | 1254 | 1253 | 1252 | 1251 | 1250 | 1249 | 1248 | 1247 | 1246 | 1245 | 1244 | 1243 | 1242 | 1241 | 1240 | 1239 | 1238 | 1237 | 1236 | 1235 | 1234 | 1233 | 1232 | 1231 | 1230 | 1229 | 1228 | 1227 | 1226 | 1225 | 1224 | 1223 | 1222 | 1221 | 1220 | 1219 | 1218 | 1217 | 1216 | 1215 | 1214 | 1213 | 1212 | 1211 | 1210 | 1209 | 1208 | 1207 | 1206 | 1205 | 1204 | 1203 | 1202 | 1201 | 1200 | 1199 | 1198 | 1197 | 1196 | 1195 | 1194 | 1193 | 1192 | 1191 | 1190 | 1189 | 1188 | 1187 | 1186 | 1185 | 1184 | 1183 | 1182 | 1181 | 1180 | 1179 | 1178 | 1177 | 1176 | 1175 | 1174 | 1173 | 1172 | 1171 | 1170 | 1169 | 1168 | 1167 | 1166 | 1165 | 1164 | 1163 | 1162 | 1161 | 1160 | 1159 | 1158 | 1157 | 1156 | 1155 | 1154 | 1153 | 1152 | 1151 | 1150 | 1149 | 1148 | 1147 | 1146 | 1145 | 1144 | 1143 | 1142 | 1141 | 1140 | 1139 | 1138 | 1137 | 1136 | 1135 | 1134 | 1133 | 1132 | 1131 | 1130 | 1129 | 1128 | 1127 | 1126 | 1125 | 1124 | 1123 | 1122 | 1121 | 1120 | 1119 | 1118 | 1117 | 1116 | 1115 | 1114 | 1113 | 1112 | 1111 | 1110 | 1109 | 1108 | 1107 | 1106 | 1105 | 1104 | 1103 | 1102 | 1101 | 1100 | 1099 | 1098 | 1097 | 1096 | 1095 | 1094 | 1093 | 1092 | 1091 | 1090 | 1089 | 1088 | 1087 | 1086 | 1085 | 1084 | 1083 | 1082 | 1081 | 1080 | 1079 | 1078 | 1077 | 1076 | 1075 | 1074 | 1073 | 1072 | 1071 | 1070 | 1069 | 1068 | 1067 | 1066 | 1065 | 1064 | 1063 | 1062 | 1061 | 1060 | 1059 | 1058 | 1057 | 1056 | 1055 | 1054 | 1053 | 1052 | 1051 | 1050 | 1049 | 1048 | 1047 | 1046 | 1045 | 1044 | 1043 | 1042 | 1041 | 1040 | 1039 | 1038 | 1037 | 1036 | 1035 | 1034 | 1033 | 1032 | 1031 | 1030 | 1029 | 1028 | 1027 | 1026 | 1025 | 1024 | 1023 | 1022 | 1021 | 1020 | 1019 | 1018 | 1017 | 1016 | 1015 | 1014 | 1013 | 1012 | 1011 | 1010 | 1009 | 1008 | 1007 | 1006 | 1005 | 1004 | 1003 | 1002 | 1001 | 1000 | 999 | 998 | 997 | 996 | 995 | 994 | 993 | 992 | 991 | 990 | 989 | 988 | 987 | 986 | 985 | 984 | 983 | 982 | 981 | 980 | 979 | 978 | 977 | 976 | 975 | 974 | 973 | 972 | 971 | 970 | 969 | 968 | 967 | 966 | 965 | 964 | 963 | 962 | 961 | 960 | 959 | 958 | 957 | 956 | 955 | 954 | 953 | 952 | 951 | 950 | 949 | 948 | 947 | 946 | 945 | 944 | 943 | 942 | 941 | 940 | 939 | 938 | 937 | 936 | 935 | 934 | 933 | 932 | 931 | 930 | 929 | 928 | 927 | 926 | 925 | 924 | 923 | 922 | 921 | 920 | 919 | 918 | 917 | 916 | 915 | 914 | 913 | 912 | 911 | 910 | 909 | 908 | 907 | 906 | 905 | 904 | 903 | 902 | 901 | 900 | 899 | 898 | 897 | 896 | 895 | 894 | 893 | 892 | 891 | 890 | 889 | 888 | 887 | 886 | 885 | 884 | 883 | 882 | 881 | 880 | 879 | 878 | 877 | 876 | 875 | 874 | 873 | 872 | 871 | 870 | 869 | 868 | 867 | 866 | 865 | 864 | 863 | 862 | 861 | 860 | 859 | 858 | 857 | 856 | 855 | 854 | 853 | 852 | 851 | 850 | 849 | 848 | 847 | 846 | 845 | 844 | 843 | 842 | 841 | 840 | 839 | 838 | 837 | 836 | 835 | 834 | 833 | 832 | 831 | 830 | 829 | 828 | 827 | 826 | 825 | 824 | 823 | 822 | 821 | 820 | 819 | 818 | 817 | 816 | 815 | 814 | 813 | 812 | 811 | 810 | 809 | 808 | 807 | 806 | 805 | 804 | 803 | 802 | 801 | 800 | 799 | 798 | 797 | 796 | 795 | 794 | 793 | 792 | 791 | 790 | 789 | 788 | 787 | 786 | 785 | 784 | 783 | 782 | 781 | 780 | 779 | 778 | 777 | 776 | 775 | 774 | 773 | 772 | 771 | 770 | 769 | 768 | 767 | 766 | 765 | 764 | 763 | 762 | 761 | 760 | 759 | 758 | 757 | 756 | 755 | 754 | 753 | 752 | 751 | 750 | 749 | 748 | 747 | 746 | 745 | 744 | 743 | 742 | 741 | 740 | 739 | 738 | 737 | 736 | 735 | 734 | 733 | 732 | 731 | 730 | 729 | 728 | 727 | 726 | 725 | 724 | 723 | 722 | 721 | 720 | 719 | 718 | 717 | 716 | 715 | 714 | 713 | 712 | 711 | 710 | 709 | 708 | 707 | 706 | 705 | 704 | 703 | 702 | 701 | 700 | 699 | 698 | 697 | 696 | 695 | 694 | 693 | 692 | 691 | 690 | 689 | 688 | 687 | 686 | 685 | 684 | 683 | 682 | 681 | 680 | 679 | 678 | 677 | 676 | 675 | 674 | 673 | 672 | 671 | 670 | 669 | 668 | 667 | 666 | 665 | 664 | 663 | 662 | 661 | 660 | 659 | 658 | 657 | 656 | 655 | 654 | 653 | 652 | 651 | 650 | 649 | 648 | 647 | 646 | 645 | 644 | 643 | 642 | 641 | 640 | 639 | 638 | 637 | 636 | 635 | 634 | 633 | 632 | 631 | 630 | 629 | 628 | 627 | 626 | 625 | 624 | 623 | 622 | 621 | 620 | 619 | 618 | 617 | 616 | 615 | 614 | 613 | 612 | 611 | 610 | 609 | 608 | 607 | 606 | 605 | 604 | 603 | 602 | 601 | 600 | 599 | 598 | 597</ |
|------------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
|------------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|

New year ambitions

هكذا من أهل

MARKETS

London

Recovery is not business as usual

By Peter Martin, Financial Editor

THE CHART alongside may hold the key to the stock market's performance in 1993. It shows the ratio of M4, the broadest measure of the money supply, to GDP.

Over most of the past 13 years, the ratio has been rising steadily. For every pound of GDP, people have been holding an ever-higher amount of money in M4's cash, bank and building society accounts. The upward trend has levelled off over the last couple of years, but the UK is still awash with liquidity.

The Treasury argues that the steady upward trend simply reflects the rising weight of UK households. The flattening in the ratio over the past two years echoes the damage done to wealth by the recession. Once that is past, the upward trend will continue.

If that is so, there is little implication for the stock market. But consider what might

happen if the public's holdings of liquid funds represent not merely a side-effect of increasing wealth but also a judgment about relative rates of return.

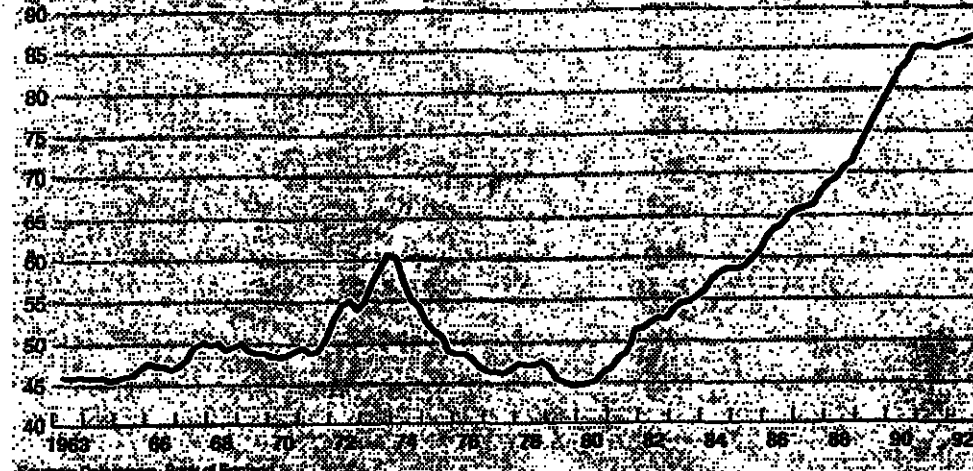
For much of the past decade, nominal interest rates on pass-book accounts have been comfortably high. For the past few years, indeed, the funds that make up the bulk of M4 have produced extremely attractive real rates of return.

Since Britain left the ERM in September, interest rates have fallen sharply. They are likely to fall further in the new year. What will savers do with their money as building society accounts no longer look so attractive? A similar - though deeper - cut in interest rates in the US led to a flood of retail investors' money into the stock market, helping to push it to new heights.

UK interest rates are unlikely to drop as far as those in the US. And Britain does not have the same number of

M4/GDP ratio

M4 as a percentage of GDP



Source: Department of Finance

aggressive independent stock-market investors. But it does have a large and imaginative collective investment industry, skilled at channeling the public's savings into the most appropriate market.

A strong start to the year for equities, building on the 129-point rise in the FT-SE 100 index since mid-December, might make this task easier, rekindling public enthusiasm for shares for the first time since the 1987 crash.

Even if retail investors still steer clear of equities, however, a shift in their portfolios might influence the stock market in a less direct way.

The post-September steepness of the yield curve - which rises from roughly 5 per cent interest rates on short-term retail deposits to an

8 1/2 per cent yield on long-term gilts - allows individual investors to obtain higher returns by moving along the curve.

If they do so in large numbers - either by buying gilts themselves or, more plausibly, by buying insurance industry products backed by gilts - the huge scale of the government's borrowing requirement for next year will become much less threatening to the equity market's belief.

Such financial considerations apart, the equity market in the New Year is likely to be dominated by the outlook for the economy. The current level of share prices - with the FT-SE 100 at 2,281.5 - reflects the consensus that a slow, stuttering recovery from recession is under way.

In the last couple of weeks of 1992, however, hopes have spread that the recovery may prove brisker than expected. The strong performance of the new FT-SE Mid 250 index, which contains the mid-sized companies that rank just below the FT-SE 100, reflects this view.

Typical Mid 250 companies are more focused on UK domestic markets than their larger cousins, and the index also contains many companies from the capital goods and construction supplies industries.

The Mid 250 index as a whole outperformed the FT-SE 100 by 6 1/2 per cent in December, thanks to strong performances by such companies as Tippeco (up 30 per cent on the month); Shanks & McEwan and T&N (both up 25 per cent); BICC (up 24 per cent) and Marley (up 23 per cent).

The optimism these movements reflect was reinforced by

consumers' enthusiastic shopping in the days just before and just after Christmas. Share prices of stores rose six per cent in the last two weeks of the year, putting them on a p/e ratio of 21, a figure that is clearly already discounting good sales in 1993.

As the old year ended, it was left to the stores' more glamorous cousins, the food retailers, to underline that the recovery will not simply be a return to pre-recession business-as-usual.

During the three years or so of depressed economic activity, the world has not stood still. Cost structures have been altered, new capacity has been brought into use; competitive relationships have changed.

This is most obviously true for those companies faced with overseas competition, for whom the EC's single market ushers in new challenges. But it is also true for the glided giants of food retailing, despite their relative immunity to rivals from abroad.

The stock market's growing unease about how long the supermarkets will be able to combine rapid growth and high margins showed up in a - perhaps exaggerated - reaction to some small-scale price cuts by the big chains, pulling the sector down 3.6 per cent on Wednesday.

At the end of the year's trading, the market was valuing supermarkets - on a dividend yield of 3.12 per cent - less generously than stores (3.11 per cent), something that has happened on only two other days in the past five years. In this and other ways, the recovery is likely to be no respecter of formerly comfortable certainties.

Serious Money

Lines from the rich and famous

Philip Coggan, Personal Finance Editor, discovers some pointers for the economic year ahead

A SMALL hole recently opened in the space-time continuum and a sheaf of letters dropped from the future into the FT's files.

Our crack team of reporters are not quite sure who the letters are from, but careful analysis may provide some clues about the economic prospects for 1993.

Dear Bill
Glad you've forgiven me about the passport thing. I'm sure we can re-establish that special relationship. Given your time at Oxford, I'm certain, like me, you have developed a passion for cricket and Harry Potter. And we've both been considerably fond of Chelsea (John). Indeed now that we've cut interest rates to 3 per cent and the pound is worth one dollar, it's almost as if we're one country again.

Hope to see you soon and you're welcome to look in on files on Dan Quayle any time (only kidding).
Yours, John

Dear Helmut,
Will you please pass on to Herr Schlesinger our grateful thanks for the one-eighth of a percentage point cut in interest rates which the Bundesbank announced last week? I'm sure it will be invaluable in stimulating our economy, and a great help when it comes to our Parliamentary elections in May. Not! (as the stars of Wayne's World would say).
Yours, François

PS Sorry about our farmers setting fire to the Frankfurt and beer trucks.
Dear François,
Schlesinger Schmiesinger. All that guy thinks about is the money supply. Maybe if you sent some of your farmers to blockade Frankfurt, he might see sense. Instead he keeps droning on about the

cost of reunification. You don't know anyone who wants to buy a small, former Communist country on the cheap, do you?
Yours, Helmut

Dear (insert name of foreign leader),
Thanks very much for your congratulations on my election. I am afraid I will not be able to visit your country until I need to look statesmanlike/like the US economy recovers/1997. But in the meantime, I hope to arrange a high level delegation led by Al Gore/Hillary/Socks the Cat. If you really want to help, we would be very grateful if you could cut your interest rates/cut your tariffs/bought some GM cars. As a gesture of goodwill, I therefore include tickets to Disneyland/tickets to my next saxophone concert/a grits recipe.

Yours, Bill
NB. Could the State Department delete where applicable?

Dear Mitterrand,
We have an old saying in Arkansas: "Don't enter the pigsty unless you're ready to trade pork bellies." We had a good laugh when we heard about what your farmers did to Eurodisney and an even bigger laugh when Congress passed the "Goods from France (Large Tariffs) Act". Enjoy your recession.
Yours, John

Dear Helmut
Oh dear! Now that the trade war with the US and the lingering effects of the Bundesbank's policies last year have sent the whole of Europe into recession, it seems that the Anglo-Saxon economies are the only ones which will grow this year. If you need any tips on how to run a successful economic policy, don't hesitate to call.

But I am really writing to put your mind at rest. I can categorically deny the reports in the British press which claim that we will be leaving the European Community and applying for England, Scotland and Wales to be the 51st, 52nd and 53rd states of the union. Oh no.
Yours, John

Dear Bill
All the terms seem OK with us. But can you remind me what comes after "Oh say, can you see, by the dawn's early light"?
Yours, John

HOW SHARES HAVE MOVED

The following table shows the percentage movement in the FT Ordinary share index and its constituents during 1992. The FT-SE 100, FT-SE Mid 250, FT-SE-A 350 and the FT-A All-Share indices are also shown.

| | Price on Dec. 31 | % change on year | 1992 High | 1992 Low | | Price on Dec. 31 | % change on year | 1992 High | 1992 Low |
|-------------------|------------------|------------------|-----------|----------|----------------|------------------|------------------|-----------|----------|
| FT-SE 100 Index | 2046.5 | +14.2 | 2047.5 | 2281.5 | Fortis | 158 | +13.2 | 232 | 112 |
| FT-SE Mid 250 | 2062.0 | +21.1 | 2062.0 | 2197.5 | QIB | 2835 | +41.8 | 288 | 183 |
| FT-SE-A 350 | 1588.6 | +18.5 | 1588.6 | 1108.1 | QIC | 446 | +11.4 | 448 | 281 |
| FT-A All-Share | 1368.79 | +14.8 | 1368.79 | 1088.13 | QIC | 730 | -7.0 | 942 | 822 |
| FT Ordinary | 2188.2 | +12.5 | 2188.2 | 1670.0 | Grand Nat | 488 | +14.7 | 618 | 369 |
| ASDA | 58 | +52.2 | 58 | 225 | Guinness | 510 | +1.8 | 844 | 471 |
| Alford-Lyons | 648 | +2.0 | 712 | 520 | Harrods | 2535 | +15.2 | 2445 | 1945 |
| BICC | 283 | +21.7 | 350 | 207 | KI | 1080 | +12.5 | 1410 | 975 |
| BOC | 786 | +23.6 | 774 | 583 | Lucas Inds. | 152 | +14.5 | 180 | 77 |
| BP | 2485 | +15.2 | 304 | 182 | Marlborough | 3255 | +15.2 | 348 | 288 |
| BT | 4035 | +22.8 | 4185 | 305 | McAlister Bank | 4045 | +46.0 | 423 | 281 |
| BTB | 850 | +40.2 | 854 | 381 | P & O World | 8045 | +17.8 | 888 | 2965 |
| Blue Circle Inds. | 199 | -4.7 | 2045 | 121 | Reckitt | 1400 | +55.3 | 1430 | 982 |
| Bovis Lend Lease | 261 | +30.8 | 671 | 398 | Royal Inds. | 288 | +17.7 | 294 | 118 |
| British Airways | 3085 | +33.0 | 318 | 219 | SunLife | 480 | +10.7 | 688 | 2965 |
| British Gas | 2915 | +10.0 | 2915 | 232 | Tate & Lyle | 408 | +0.3 | 448 | 228 |
| Canary Wharf | 444 | +3.0 | 488 | 412 | Thames Valley | 551 | +35.2 | 588 | 523 |
| Courtauld | 995 | +17.8 | 616 | 371 | | | | | |

*Adjusted for capital changes.

AT A GLANCE

Unit trusts

Value of funds (£bn)

1991

1992

1993

1994

1995

1996

1997

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023

2024

2025

2026

2027

2028

2029

2030

2031

2032

2033

2034

2035

2036

2037

2038

2039

2040

2041

2042

2043

2044

2045

2046

2047

2048

2049

2050

2051

2052

2053

2054

2055

2056

2057

2058

2059

2060

2061

2062

2063

2064

2065

2066

2067

2068

2069

2070

2071

2072

2073

2074

2075

2076

2077

2078

2079

2080

2081

2082

2083

2084

2085

2086

2087

2088

2089

2090

2091

2092

2093

2094

2095

2096

2097

2098

2099

2100

2101

2102

2103

2104

2105

2106

2107

2108

2109

2110

2111

2112

2113

2114

2115

2116

2117

2118

2119

2120

2121

2122

2123

2124

2125

2126

2127

2128

2129

2130

2131

2132

2133

2134

2135

2136

2137

2138

2139

2140

2141

2142

2143

2144

2145

2146

2147

2148

2149

2150

2151

2152

2153

2154

2155

2156

2157

2158

2159

2160

2161

2162

2163

2164

2165

2166

2167

2168

2169

2170

2171

2172

2173

2174

2175

2176

2177

217

FINANCE AND THE FAMILY

New Year resolutions worth sticking to

Looking for sensible investment advice? Scheherazade Daneshkhu talks to financial advisers about opportunities for the year ahead

THE QUEEN'S annus horribilis was shared by many last year, not least by investors who found their options narrowing as the year progressed. The drop in base rates, changes to National Savings and the sluggish performance of equities made investment hard work.

It does not look any easier this year. But this is why New Year resolutions should be made and adhered to. We asked a number of financial advisers which resolutions would top their list for the New Year.

Wills and Inheritance Tax

Just in case this is your last year, Mark Bolland, of fee-based advisers Chamberlain de Broe, urges those without a will to write one: "From this starting point individuals and couples can go on to wider areas of estate and inheritance tax planning. Clearly, given the state of the economy at the moment and the level of the PSBR, the government is likely to raise taxes. I would have thought it rather unlikely therefore, that IHT - comparatively small though the receipts may be - will be significantly reduced."

People should also resolve to do something about their IHT liability, says David Harris, of Chantrey Financial Services, by making use of the annual £3,000 exemption and using the small gifts exemption - up to £250 to as many people as you like.

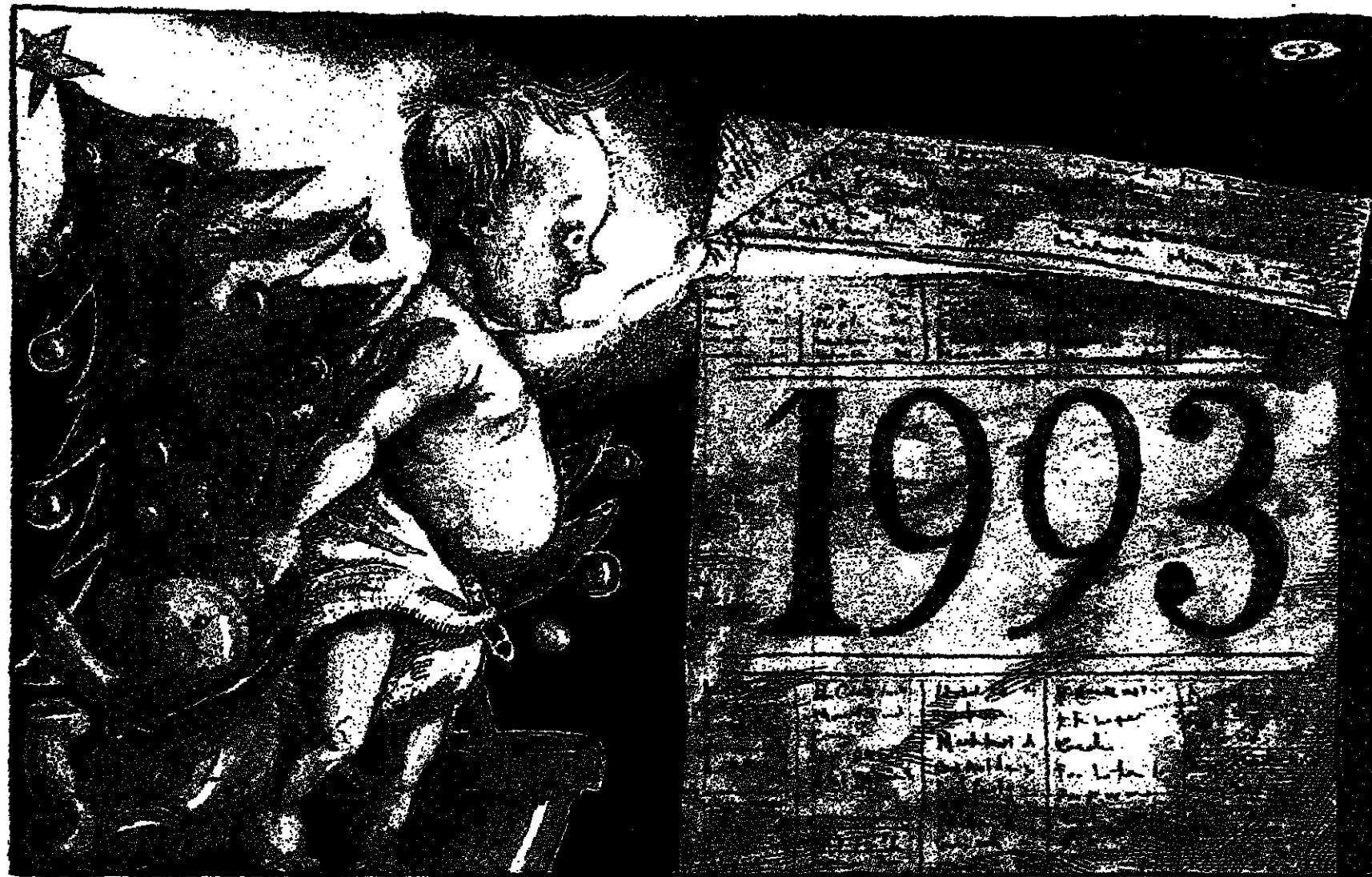
Money on Deposit

David Harris says savers should resolve this year not to keep all their investments on bank or building society deposits now that interest rates have dropped substantially, but should check alternatives. They should take advantage of the maximum investment allowable into the current National Savings issues and pay their next instalment - £1,500 - to their tax exempt special savings account in the New Year.

Colin Jackson, of Baronworth investment services, advises those in a 90-day bank or building society account to give notice and get out. "The advantage of a 90-day account (interest-wise) is now fairly minimal," he says. "I anticipate that in the coming year there will be some new investment products being launched. Those people who have their money tied up in a 90-day account will either have to miss out on an investment opportunity or lose interest by withdrawing their money without giving the appropriate notice."

Personal Equity Plans

Resolve to look at the performance of your Pep if you have one says Harris, and look also at the level of charges, administration and strength of the company, adds Jackson: "Peps are often sold to people who really do not need them as their tax position is such that the tax free benefits of a Pep would not apply. For those people there is no reason why they should pay



the higher charges incurred by investing through a Pep." He reminds those who need a Pep to take one out before the end of the tax year on April 5.

■ Investment Strategies Robert Noble-Warren, of fee based advisers Murray Noble, says those with cash should be open minded about investment strategies. Instead of considering UK equities only, "an alternative strategy is to have higher holdings of cash and fixed interest, to invest much less than one would normally in UK shares and take a small highly speculative holding in emerging markets such as South China and Mexico," says Noble.

■ Life Insurance Most people in the UK are underinsured and Harris says people should resolve to

check to see whether their life insurance arrangements are adequate. He says investors should keep their wills about them and resolve "to differentiate between life insurance for protection and other products that purport to be investment plans but are life assurance by any other name."

Retirement and pensions

All advisers urge readers to make a resolution that they will no longer put off retirement planning. Harris and Jackson remind those in an occupational pension scheme to maximise their contributions for the year (up to 15 per cent of net relevant earnings subject to the pensions cap). Harris says policy holders should check the value of their pension arrangements and, if the policy holder is con-

tracted out of Serps, to see whether proper rebates have been applied to a personal pension plan.

Jackson thinks those who are contracted out should reconsider their decision, particularly if they are men over the age of 45 or women over 40. He reminds higher rate taxpayers to consider picking up unused pension relief for the past six years and paying a single premium before April 5. "The tax inspector will give you relief in the current year initially at your highest rate of tax. However, you can put in an election (not later than July 5 1993) to carry back the relief to the year ended April 5 1992, if this is more tax efficient," he says.

Retirement may become a more risky business, warns Noble. Employers are

moving to money purchase schemes since these are cheaper than final salary schemes. The reduction in interest rates means that a smaller pension will be bought with the accumulated pension fund than in recent years, state pension benefits are likely to be reduced and pension funds can expect lower growth from equities than they experienced in the 1970s and 80s. Pension contracts are being sold on growth rates allowed by Lutro, the regulator for the insurance industry, but Noble believes these estimates are too optimistic. He says, therefore, it is important to take impartial advice.

■ Mortgages Harris would like homeowners to check whether their lender has dropped its rate in line with others and consider whether a

fixed rate might not be more suitable while interest rates are still historically low.

Guaranteed Bonds

Jackson believes investors should steer clear of guaranteed bonds for the time being as rates are low. He also warns investors there are a number of products on the market promising "guaranteed" returns while the small print reveals they do no such thing.

Business Expansion Scheme

The BES - which allows investors tax relief at their highest rate on up to £40,000 invested in a qualifying scheme - will be abolished at the end of the year. Chamberlain de Broe's Alan Greening reminds investors who have not subscribed in the 1992-93 tax year they have an allowance of £30,000 to invest - £40,000 before April 5 and another £40,000 after that date.

"Many advisers who would in the past have been wary about using BES investments for anything other than a small part of someone's portfolio, are now using them as the basis for secure growth (over 10 per cent compound for five years), allowing other more speculative investments to be chosen alongside to provide the high levels of income no longer seen in building society or fixed interest investments," said Greening, who believes the majority of current BES issues have become secure investments.

Last year a new type of scheme - "non-status, non recourse loan" emerged and have added flexibility to the tax-efficiency of BES investments for higher rate taxpayers, according to Greening. These schemes grant tax relief about six months after the original investment is made. The investor is then offered a non-recourse loan of between 72 per cent and 76 per cent of their original gross investment. "It is now possible to secure £8,480 tax relief from one £10,000 investment, by taking one investment for £10,000 now, taking a loan-back after six months (£11,200 including £4,000 tax relief), and reinvesting the proceeds in a BES for five years - thereby securing another £4,480 worth of tax relief," said Greening.

While the BES is now much safer than it used to be, Chantrey's Harris advises potential investors to take advice before committing themselves. He also warns that since a great deal of demand is expected of these schemes, potential investors need to be prepared to act quickly to take advantage of any offers.

Financial Advice

Jackson says people should ask their financial adviser how much commission they are earning and whether they will share it with them. Bolland and Noble, both fee-based advisers, urge people to move to fee-based advice for impartial financial planning.

Early start for BES season

THE 1993 Business Expansion Scheme season seems to have started in 1992.

BESSA Plus (Second Series), launched last week, is a scheme sponsored by Close Brothers and backed by TSB Bank, which will buy repossessed properties from Hill Samuel Mortgage Services and let them for five years.

Its crucial extra ingredient, on top of the guarantee from a high street bank, is the "non-recourse loan". This allows top-rate taxpayers effectively to realise their investment after only six months - note that it is irrelevant for basic rate payers.

For every £1 invested (60p after tax for top-rate payers), Hill Samuel will lend 72p to investors after six months. Investors can choose to continue for five years, but Hill Samuel is obliged to make the loans available.

The loans are "non-recourse", which means they are secured only against the BES shares themselves - Hill Samuel has no right to pursue investors for any other

part of their assets.

Similar schemes linked to the Bank of Scotland and the Bank of Ireland sold out within a week of becoming available, and it looks as though it will be difficult for those not already on Close Brothers' mailing list to invest in the current offer - total capacity is £3.5m, and £3.5m had been taken by New Year's Eve, when the offer had only been open for two days.

A similar scheme sponsored by Capital Ventures in conjunction with Cambridge University also seems likely to be fully subscribed soon.

Would these schemes be worth holding on to for the full five years? Falling base rates have cut sharply into the returns on offer, and TSB is offering only £1.08 after five years for every £1 before tax spent now. In 1991, offers of £1.35 for every £1.00 were common, although they did not have the security of bank backing.

Anthony Yagdaroff, of Allenbridge Group, suggests that current offers should only be taken up by those who want to

take advantage of six-month loans. This will allow them to reinvest in the BES before the scheme is abolished at the end of this year.

The budget, due in March, must put some question marks over the future of this type scheme, as the low risks and high returns available to top-rate taxpayers seem out of line with the government's original intentions. However, the crop of schemes is taking repossessed housing out of the property market, removing a downward pressure on prices, so sponsors are hopeful that the schemes will survive.

Banks and building societies - which are yet to get heavily involved with the BES - benefit by removing large amounts of bad debt from their balance sheets, so supply is likely to continue. Several sponsors are also working on issues to fund university accommodation, which lack bank guarantees and loans, but may offer a higher return over five years.

John Authors

Expatriates/Donald Elkin

Prevent costly mistakes

EXPATRIATES are generally viewed as people who earn more and save more than their stay-at-home compatriots. And that is often true.

But expatriates tend to work hard as well. Perhaps one result of this is that some fail to give sufficient time to their own finances. Whatever the reason, expatriate finance specialists regularly see evidence of the same mistakes being repeated.

For a prosperous 1993 - and beyond - check that you are avoiding the following slips:

■ Overlooking the different residence status of spouses. For example: wives often become UK tax residents by visiting the country when accommodation is available for their occupation (unless they have full-time jobs in which all the duties are performed overseas). Such a status could result in UK tax liability on overseas income and gains (including half shares of joint holdings). But it can give rise to opportunities too, for example the ability to invest in personal equity plans.

■ Failing to appreciate that accepting a UK directorship can give rise to similar results, even in the case of those who are in full-time work. However, liability to tax on an overseas salary is prevented by the operation of the "foreign earnings deduction". Alcrews, couriers and others who perform

"duties of substance" in the UK are similarly at risk.

■ Assuming that UK interest paid to you without deduction of tax is tax exempt. Payment gross is an administrative procedure which does not apply in broken tax years, those of departure or return to the UK.

■ Ceasing to pay UK National Insurance contributions on going overseas. In most cases, this is a mistake. Voluntary Class 3 contributions, costing £263 per annum, can give rise to an effectively index-linked pension of £2,815 per year plus.

■ Convincing yourself that

on your death.

■ Assuming that a UK property acquired after the date of your original departure from the UK, will qualify as your principal private residence for CGT purposes, purely because it is the only property you own. For there to be any possibility of such qualification, you or your spouse would need to live in it for, say, three months after acquisition and also to resume residence there when your period overseas has ended.

■ Convincing yourself that

against a background of future uncertainty. How many people would answer in the affirmative to the question, "Is it a good idea to take on a ten year investment commitment when you have job security for only three years?" But expatriates frequently do it.

■ Attaching undue weight to the taxation treatment of any investment plan. Taxation is important. But the most brilliant tax shelter ever devised can be of little value if the investment fails to perform. The watchwords should be, investment performance first, taxation treatment second.

■ Overlooking the inflexibility inherent in the surrender penalties attaching to some investment arrangements. If initial charges are replaced by early surrender penalties, well and good. But such penalties sometimes last for five to seven years or longer. If, even with the lower initial charges, your investment fails to perform, you may find yourself effectively "locked in".

■ Failing to plan your return to the UK in good time. Happily, after years of urging by expatriate commentators - this is myself among them - this is much less in evidence. However, cases still arise of expatriates who spend 25 years abroad but leave themselves only 25 days to organise their return.

Donald Elkin is a Director of Wilfred T. Fry Limited of Worthing, West Sussex.

Remember that "complex" is usually synonymous with "expensive"

In the case of a married man, a further £1,962 p.a. for his non-contributing wife.

■ Supposing that inheritance tax does not apply to assets earned and situated overseas? This treatment is only available to those who are not domiciled in the countries which make up the UK, as a result of having left Britain permanently.

■ Overlooking local testamentary considerations when acquiring real estate abroad. Often it will be desirable to make a will in the country concerned. Even more important, you may find that local laws restrict your freedom to decide the disposition of assets

"no-one will know" is a suitable basis for tax planning. Skeletons in cupboards have a habit of rattling at awkward moments.

■ Assuming that complex solutions are inevitably superior to straightforward ones. Before investing in insurance-linked arrangements, ask yourself whether a direct investment will suffice. Before effecting a trust, ask if it is essential. Both types of vehicle have important parts to play in the field of tax planning. But both are frequently unnecessary. Remember that "complex" is usually synonymous with "expensive".

■ Entering into long-term investment arrangements

THE SAVE & PROSPER

PEP

NEW YEAR MONEY SAVING OFFERS

2% DISCOUNT
... IF YOU INVEST
£4,000 OR MORE IN OUR:
UNIT TRUST PEP

NO INITIAL PLAN CHARGE
... IF YOU INVEST
£4,000 OR MORE IN OUR:
MANAGED PORTFOLIO PEP
OR DEALING PLAN PEP

Save & Prosper's Personal Equity Plan is an excellent way of investing up to £6,000 a year in the Stock market, with all your investment returns tax-free. The tax exemption means that dividends are automatically increased by at least one third and you don't pay capital gains tax on your profits - however big they are.

Save & Prosper is one of the leaders in the PEP market and has one of the most comprehensive and flexible plans available. You can choose from our Managed Portfolio PEP, the Dealing Plan PEP or our Unit Trust PEP.

ACT NOW

Don't miss out on our special New Year offers. Find out more today. Post the coupon, talk to your financial adviser or ring our free Moneyline.

CALL FREE 0800 282 101

9 a.m. - 5.30 p.m. 7 DAYS A WEEK

The Save & Prosper Group Limited, FREEPOST, Romford, Essex, RM3 7BB

Please send me details of Save & Prosper's Managed Portfolio PEP

Surname _____ Initials _____

Mr/Ms/Miss _____

Address _____

Postcode _____ Home Tel (STD) _____ No _____

Work Tel (STD) _____ No _____

So this we may call and offer further information

THE VALUE OF INVESTMENTS WITHIN A PEP AND ANY INCOME FROM THEM CAN GO DOWN AS WELL AS UP AND YOU MAY NOT GET BACK THE FULL AMOUNT YOU INVESTED. THE CONCERNS ARE NOT GUARANTEED AND MAY BE CHANGED AT ANY TIME. YOUR VALUE WILL DEPEND ON YOUR PERSONAL CIRCUMSTANCES. PAST PERFORMANCE IS NOT A GUIDE TO FUTURE RETURNS. SAVE & PROSPER GROUP LTD IS A MEMBER OF BANC AND LAUTRO

SAVE & PROSPER
THE INVESTMENT HOUSE

FINANCE AND THE FAMILY

Slow but sure comeback

The homes market will begin to move in 1993, reports Scheherazade Daneshkhoo

MORTGAGE lenders are making tentative predictions of a gradual recovery in the property market. Halifax, Nationwide and Leeds Permanent building societies all said this week they expected house prices to stabilise this year, but none predicted a rapid recovery.

Halifax, the largest society which lends to just under a fifth of mortgage holders, said it expected prices to stabilise by the spring. They have been falling by 0.5 to 0.7 per cent a month and are expected to continue dropping over the winter.

The Halifax house price index showed a fall of just under eight per cent in the year to November 1992. The society is reluctant to predict the extent of recovery for this year, perhaps because it was too optimistic in its predictions for last, when it forecast a rise in house prices in line with an inflation rate of about four per cent.

In its review of the housing market in 1992, the society does, how-

ever, forecast an important increase in the level of activity in 1993 - a prerequisite for the market's recovery. Last year there were just 1.1m housing transactions nationwide, representing about half the level of activity in 1988. Halifax says it expects this number to rise by 15 per cent in 1993.

It finds the main barrier to recovery is a lack of confidence among buyers rather than an inability to afford property. Halifax says mortgage payments now account for 25 per cent of earnings in the south east - the area worst affected by the housing decline - compared with more than 40 per cent in 1988.

The Halifax says further measures could promote a more robust housing market recovery, and suggests a number of moves the government could introduce. These include reforming mortgage interest tax relief to increase benefits for first-time buyers, and introducing a mortgage benefit scheme to assist low-income homeowners.

By contrast, Mike Blackburn, chief executive of Leeds Permanent,

eschews "pill-popping policies which tend to give you a hangover". The temporary abolition of stamp duty on homes worth under £250,000, which was lifted in August, is one measure he believes hindered, rather than helped, the housing market.

"We believe house prices generally have stabilised and will show some signs of an upturn, accompanied by increased market activity," he said. "But these green shoots will only really take hold if they are rooted in the right climate, and that means we need to see evidence of some global warming in the industrial and commercial sectors."

Tina Melville-Ross, chief executive of Nationwide, the second largest lender, said the government's plans to enable housing associations to buy around 20,000 empty houses would help reduce the overhang of unsold properties. "There is undoubtedly pent up demand from would-be house buyers, particularly first-time buyers, who have put their decisions to purchase on hold over the past two years," he said.

"However, this is counterbalanced by the continuing overhang of unsold homes and there will have to be a significant increase in turnover before we see any increase in prices."

The National Association of Estate Agents reported this week that December had been the busiest month in the past three years for agents. Michael Jones, president, said: "Although we anticipate there will be regional variations, we suspect the market has already turned the corner and that it could revive much quicker than even the Halifax is predicting."

But bursts of activity have been seized on as evidence of a full recovery too often in the past and cautious optimism is now the catchword of the big building societies. "Fears about job security and the economy as a whole are the main factors affecting the housing market. Changes in confidence could mean the recovery could be delayed or could be much stronger than now seems possible," said Melville-Ross.

2 BED UPPER MAISONETTE FOR SALE

DAVIES

FOR SALE

01-272 0986

SPACIOUS 2 BED GDN MAIS FOR SALE

THOMSON CURRIE

071-354 5224

Sickening rule for employees

David Cohen on health insurance

BRTISH tax law is littered with arbitrary distinctions between employees and the self-employed. The tax treatment of permanent health insurance (PHI) is a case in point. As a rule - provided you stay healthy - you will be better off in employment, but should you ever claim against the policy, then self-employed status will prove more tax-efficient.

Plans to protect income against long-term disability have enjoyed growing popularity in recent years, becoming an almost invariable feature of executive remuneration packages. Until 1981, PHI was a taxable benefit for directors and other higher-paid staff, although not for other employees. But the 1981 Finance Act introduced a blanket exemption and PHI remains to this day one of the dwindling band of tax-free perks.

Paying PHI premiums for staff gives an employer the best of both tax worlds. Not only can he confer a tax-free benefit on his workers but also the cost of so doing will be a deductible item for corporation tax purposes.

But while the taxman has a positive attitude to PHI for employees, his approach is quite different if the insured is self-employed. Premiums paid by the self-employed - whether sole proprietors or

business partners - cannot be deducted from their taxable profits. So if bosses are insuring themselves and their staff, it will be worth their while asking the insurance company to "load" the premiums as far as possible on to the staff policies.

The Inland Revenue's pro-employee bias is abruptly reversed in the event that illness or accident leads to a claim for PHI benefit.

Some policies provide for lump-sum payments and these will normally be tax-free, irrespective of the status of the recipient. But in the more usual case of ongoing periodic benefits, employees draw the short straw.

This is because such benefits are taxed in precisely the same way as the salary they are replacing. So income tax will be deducted through the pay-as-you-earn system (even though the taxpayer is no longer in a position to "earn" anything) and national insurance contributions will also be due.

Although the self-employed are also subject to income tax, they can take advantage of an Inland Revenue concession which affords them a significant tax "holiday". The concession - that applies in the rare case of an employee who has made his own PHI arrangements - stops the tax clock from running until the unfortunate individual has been receiving PHI for one complete fiscal year.

The length of the tax-free period will therefore be maximised if the insured person can arrange to start drawing benefit immediately after April 6, the first day of each tax year.

Take the case of Oscar, a Treasury minister who suffered a nervous breakdown on Black Wednesday. Oscar had prudently arranged his own PHI policy which, like many such policies, requires him to wait 26 weeks before claiming benefit. He will therefore be able to draw his first monthly cheque on April 1, 1993. But if he does, his tax exemption will

end on April 6, 1994, because by then he will have been in receipt of benefit for a full tax year. If, instead, he defers his first claim until May 1993, he will extend his tax holiday until April 6, 1995. The sacrifice of a single monthly instalment will be more than compensated by the extra 11 months of tax immunity.

If, for example, Oscar's monthly benefit is £2,000, he will receive an additional £22,000 of tax-free income. That means a saving - at the basic rate - of £5,500.

Oscar's timing was relatively fortuitous. Obviously, for somebody whose benefit entitlement is triggered nearer to the middle of a tax year, there will come a point at which the cost of deferring benefits outweighs the tax advantage.

Although the ability to receive up to two years' tax-free income is unique to the self-employed, with no equivalent for employees, the position is quite different where the individual concerned is an expatriate.

By a quirk of UK tax legislation, PHI payments to self-employed expatriates are fully taxable in this country, after the expiry of the initial tax-free period. By contrast, benefits paid to non-resident employees should escape the Inland Revenue's clutches.

David Cohen is a partner in City law firm, Paisner & Co.

FRAMLINGTON is marking the new year by launching four unit trusts. All are initially aimed at the institutional market, but only one (the Exempt Balanced fund) is exclusively so. The three other trusts - American Growth, UK Growth and American Growth - all have minimum investments of £500, so are easily available to small investors.

The American Growth fund will invest in large and medium companies in the US, Canada and Mexico, and will complement the group's existing American Smaller Companies trust. The UK Growth fund will invest in large and medium sized UK stocks.

All the trusts, except Exempt Balanced, will have an initial charge of 5 per cent; American Growth and Emerging Markets will have annual charges of 1.25 per cent and UK growth 1 per cent.

Building Societies have noticed that nervous borrowers are opting for fixed rate mortgages in higher numbers. However, the rates on offer are not as

good as they were two months ago. Chelsea building society is today launching three fixed mortgages. One is fixed until June 30, 1995 at 7.95 per cent (for loans up to 90 per cent of valuation). The other two are fixed until June 30, 1997.

For loans up to 60 per cent of valuation the rate is 8.50 per cent, and for those up to 90 per cent of valuation, it is 8.75 per cent. Borrowers are required to take out Chelsea's own house and contents insurance, and the administration fee is £195. Interest only and repayment mortgages, as well as pension and endowment deals, are available.

Britannia building society has launched an 8.75 per cent mortgage fixed for five years. The arrangement fee is £225, and early redemption attracts a penalty of 180 days' interest. Interest only and repayment mortgages are available but you are required to buy Britannia's own house and contents insurance.

Societies are also waking up to

the outflow of savers' funds into other products following the autumn base rate cuts. National and Provincial is offering a one percentage point of extra interest for a month on its Instant Reserve, Private Reserve and Investment Reserve accounts. Money must stay in the accounts until the end of February, when the extra interest will be paid for 31 days, based on the balance growth during January.

Life Association of Scotland is one of the many companies trying to tempt funds away from the building societies. It is promoting its "Generator" plan, a five-year temporary annuity linked to a personal equity plan. The scheme is very similar to Scottish Widows' plan, marketing for which has been sharply criticised by some advisers.

Part of the investment goes into the annuity, which pays out an income, while the rest aims to grow enough to restore the capital at the end of the five years.

It needs to grow by at least 13 per cent per annum if the capital is to be replaced in full, so investors have a real chance of capital loss.

LAS is hoping to attract funds from building societies, but admits that the exposure to equities means a higher level of risk. If capital is returned, then income should total above 9 per cent annually, depending on the age and sex of the annuitant.

Falling interest rates do seem to mean some relief for those whose debts were out of control. TSB has cut the monthly interest rate on TSB Trustcard and TSB MasterCard from 1.89 per cent to 1.79 per cent, with effect from January 25.

The APR for purchases will be 23.7 per cent, and 24.1 per cent for cash advances.

TSB still does not charge an annual fee for its credit cards, unlike any of the big four, and claims the latest move makes its credit cards "among the most competitively priced available".

News in Brief

Reforms urged for pensions

Philip Coggan looks at the calls for a single pension regulator

THE Consumers Association this week added its voice to the calls for the creation of a single regulator for pensions and a compensation fund for occupational schemes.

The financial services industry has been putting forward its views on pensions over the last few weeks, in submissions to the Pension Law Review Committee, under the chairmanship of Professor Roy Goode.

The Goode committee was established in the wake of a report from the Commons select committee on social security, which recommended changes to the trust law which has been the basis of pension fund operation since the 1920s.

Debate has centred around the issue of compensation. The National Association of Pension Funds originally proposed a compulsory scheme which would refund a shortfall no matter how it had occurred. This was fiercely attacked by the Electricity Supply Pension Scheme, the UK's second biggest, which threatened to resign from the NAFP over the issue.

The association made a partial climbdown in its final submission to the Goode committee, and recommended that schemes should cover fraud, theft and negligence only. This view is backed by the CA which said that: "A sensible plan for compensating beneficiaries who lose out because of regulatory failure must be established."

"This would cover losses as a result of fraud," says the CA, "and as a result of professional negligence where, for whatever reason, the members cannot claim compensation from the professional concerned."

The CA added that such a scheme should be funded through insurance, so that poorly-administered schemes were not subsidised by well-run schemes. However, if the insurance industry was not prepared to meet the risk, the

| COMPANY NEWS SUMMARY | | | | | |
|----------------------------|------------------------|--------------|------------------|--------------|----------------|
| TAKE-OVER BIDS AND MERGERS | | | | | |
| Company bid for | Value of bid per share | Market price | Price before bid | Value of bid | Offer |
| Esrode | 80p | 102 | 72 | 94.30 | Wassell |
| New Cornish | 46p | 46 | 44 | 6.44 | Broadland Prop |
| Singapore Cornish | 38 1/2 | 33 | 62 | 1.57 | Balwin |

*All cash offer. †Cash alternative. ‡For capital not already held. §Unconditional. †Based on 12.50 pm prices 31/12/92. ‡Shares & cash alternative. † Price at suspension.

| PRELIMINARY RESULTS | | | | | |
|---------------------|---------|---------------------|---------------|------------------------|--------------------|
| Company | Year to | Pre-tax profit (£m) | Basic EPS (p) | Dividend per share (p) | Dividend yield (%) |
| Caspar Oil | July | 166 L | (80) | (-) | (-) |
| Estates & Agency | June | 787 | (7,140) | 11.57 | (14.24) |
| Jenning Brothers | Sept | 478 | (462) | 11.6 | (12.0) |
| Kelway Industries | Sept | 367 L | (1,440) | (-) | (-) |
| Whitney | Oct | 3,510 | (2,900) | (-) | (-) |

| INTERIM STATEMENTS | | | | | |
|----------------------|--------------|---------------------|---------------|------------------------|--------------------|
| Company | Half-year to | Pre-tax profit (£m) | Basic EPS (p) | Dividend per share (p) | Dividend yield (%) |
| Graig Shipping | Sept | 995 | (1,700) | 1.0 | (2.0) |
| Kembrey | Oct | 114 | (170) | (-) | (-) |
| Radient Metals | Aug | 1 | (40 L) | (-) | (-) |
| Shawcross | Aug | 14 | (-) | (-) | (-) |
| Whitney Mackay-Lewis | Oct | 355 L | (119) | (-) | (-) |

(Figures in parentheses are for the corresponding period.)
Dividends are shown net pence per share, except where otherwise indicated. L, loss.

| RESULTS DUE | | | | | |
|-----------------------------|--------------|------|-----------|-----------|--|
| Company | Announcement | Due | Last year | This year | |
| FINAL DIVIDENDS | | | | | |
| Irish Continental Group | Wednesday | | | | |
| Quality Care Homes | Wednesday | | | | |
| INTERIM DIVIDENDS | | | | | |
| Abney | Thursday | | | | |
| Banks (Shirley C.) | Wednesday | 2.75 | | 5.5 | |
| Baxendale | Wednesday | | | | |
| Bespoke | Thursday | 5.0 | | 5.5 | |
| Brackley | Thursday | 3.4 | | 6.0 | |
| Flaming Ltd. High Inc. Ltd. | Wednesday | 2.57 | | | |
| Plentech | Wednesday | | | | |
| Greynor Inns | Friday | | | 1.5 | |
| Hellas Group | Wednesday | 0.5 | | 0.6 | |
| Neoprene | Wednesday | 0.5 | | 1.0 | |
| Property Security Int. Ltd. | Monday | 0.5 | | 2.25 | |
| Servite | Wednesday | 1.5 | | | |
| TR City of London Ltd. | Thursday | | | | |
| Vardy (Reg) | Thursday | 1.10 | | 2.7 | |
| Williamson Tye Hides | Thursday | 10.0 | | 10.0 | |

Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

Planning your Pension Saving with Sipps

NIGEL LAWSON, the former chancellor, did not introduce a new type of personal pension scheme when he unveiled Self-Invested Personal Pensions (Sipps) in his 1989 Budget. He merely reinvented a concept which has been available in various forms since the 1960s.

But while Sipps (and their pre-1989 variants) are unlikely to be cost effective for the man in the street, they can produce substantial cost savings for groups of individuals, such as partners in the same firm.

The cost efficiency of Sipps compared with conventional policies is illustrated in the table* which shows the impact of charges using a Reduction in Premium (RIP) comparison. The RIP expresses the total charges as a percentage reduction in every premium paid.

A large part of the charging structure of a conventional policy is related to the commission paid to the salesman and the RIP has therefore been calculated on the "normal" policy terms and on non-commission terms, using for illustration the charging structure of Standard Life's retirement annuity pension contract, ie their pre-July 1, 1988 policy.

The RIP also has an impact on maturity proceeds. For example, a policy with a RIP of 14 per cent will have a maturity value of only 86 per cent of the maximum notional fund available at the selected retirement age, ie the fund which would be available if the policy was entirely free of charges.

Let us suppose that partners A, B and C all effect 20 year pension policies on the same date for an annual contribution of £30,000. Partner A effects his policy with Standard Life via his insurance broker on normal commission terms. Partner B effects the same policy via a firm of consulting actuaries on non-commission terms and Partner C effects a policy linked to his partnership Sipp.

If each partner's policy achieves a rate of return before charges of 13 per cent per annum, Partner A's policy will be worth £1,612,000 and Partner C's £1,785,000. Partner C's pol-

icy has the highest value because it suffers the lowest charges.

Many people will rightly suspect that one key feature of this analysis is the impact of commission on maturity proceeds. For example, the difference between the value of Partner A's policy and Partner B's is £156,000. This difference is the direct result of the commission structure.

Surprisingly, the difference between Partner B's policy and Partner C's, £173,000, is even larger, indicating the substantial additional costs borne by Partners A and B as the result of the insurer's own expenses. Commission is, therefore, not the only handicap on the maturity of proceeds of conventional policies.

Many pension advisers and investment managers dismiss

outperform Partner C's by around 1 1/2 per cent per annum and 1 per cent per annum, respectively. Over a 20-year period this is very unlikely to be achieved.

It is also possible to turn the outperformance argument on its head. One of the advantages of a Sipp is that it does not necessarily have to produce the best investment performance to outperform other policies. For example, in the case set out above, Partner C's policy could underperform by 1 1/2 per cent per annum and his policy's maturity proceeds would still be the same as Partner A's.

Finally, on the subject of cost-efficiency, there are only two factors which will influence the return achieved on a partner's pension contributions; the rate of investment return and the level of charges

one of the pre-1989 variants? The answer lies in a combination of the following points.

■ Most pension advisers are remunerated by commission. The best self-administered schemes are set up on non-commission terms so recommending them is not usually in the interests of the adviser.

■ Sipps require partners to act collectively. This is hard to achieve in practice and represents a "difficult sale". Most advisers will take the line of least resistance and recommend conventional policies.

■ Partners tend to treat their financial affairs as private and separate from those of their partners. Unfortunately, this unavoidably moves them towards conventional, individual policies.

■ Setting up a Sipp requires skills which are not usually associated with the commission end of the pensions industry.

Sipp skills tend only to be found in those advisers whose principal activity is advising occupational group schemes. Such advisers only operate on a fee paying basis and their services may only prove worth-while if they are appointed by the firm as a whole rather than individual partners.

Therefore, if more partners are to benefit from the type of policy arranged for Partner C their firms need to recognise the need for fee-paying professional advice.

Until then, sadly, most partners in professional firms will continue, quite unnecessarily, to lose substantial parts of the pension funds in the form of commissions and other expenses.

*Figures in the table are calculated assuming annual contributions of £30,000 and an annual rate of investment return of 13 per cent. It is assumed that 15 partners participate in the Sipp, each contributing £20,000 per annum.

Andrew Warwick-Thompson is head of the partnership pensions section at consulting actuaries Bacon & Woodrow.

Andrew Warwick-Thompson reports on schemes for company partners

the importance of charges and point instead to the superior investment performance of the product they are selling. This argument is realistic only when comparing "like with like", for example, a Standard Life policy set up on normal terms compared with a Scottish Widows policy established on the same basis. In such a case the difference in charges is likely to be slight and relatively modest differences in investment performance will tend to "lose" these differences over time.

However, the argument for ignoring charges loses weight when comparing the charges of conventional policies with Sipps. For example, in order for Partners A and B to achieve the same (or better) policy maturity proceeds than Partner C their policies must

incurred. Only the last of these can be predicted with any certainty and every effort should be made to keep them as low as possible.

Apart from the cost, the other great advantage of a Sipp is that the partners appoint and control the investment manager. If the manager fails to perform satisfactorily he can be sacked and replaced without penalty.

Contrast this to the position if partners hold conventional policies. If the performance is poor, partners will have little sanction but to direct their future contributions to another policy. They might also try to transfer out of the poor performing policy but this is unlikely to be achieved without a high penalty.

So why do relatively few partnerships have Sipps (or

| Pension costs | | | |
|--------------------------------------|---------------------------------------|--------|--------|
| Policy type | Percentage reduction in premium (RIP) | 10 yrs | 20 yrs |
| Normal policy terms (Standard Life) | 14 | 20 | 27 |
| Nil-commission terms (Standard Life) | 6 | 12 | 18 |
| SIPP | 1 | 2 | 4 |

PERSPECTIVES/MINDING YOUR OWN BUSINESS

As They Say In Europe

As rare as a Brandenburg olive

I POPPED over to Brussels for the New Year to see my Luxembourg friend, Jean-Peter Martini. He is still at the European Commission, running the new Language Harmonisation Programme.

I showed my alarm when I heard about it but he said that I need not worry. "It isn't one of those 'intrusive' programmes that you British go on about it's just to clear things up at the edges. To gain uniformity in common usages."

He slapped a Dutch newspaper in front of me. A headline read, *De zonnebloem zakt*. "You see that was about the oilseed row with the US. It is a joke, but incomprehensible to the British."

"Dutch jokes normally pass us by."

"That is not the point," said Jean-Peter heatedly. "It means 'The sunflower case' - a reference to the Tintin books. The character you call Professor Calculus is Professor Sunflower."

In my amazement, or apathy, I emitted an expletive.

"That is another problem - differential swearing. Do you know that in 1992 two German-speaking correspondents in London could not translate the simple English word 'bugger', which was essential to their articles? Bernhard Heinrich of the *Frankfurter Allgemeine* did a piece on the British honours system and how the initials were vulgarised - KCMG stands for 'Knight Commander of St Michael and St George' and becomes 'kindly call me God' and so on. Well, when he got to Order of the British Empire, or whatever OBE stands for, he wrote, 'Other buggers'

efforts', which can't be correctly translated into high German." Charles Ritterband in the *Neue Zürcher Zeitung* quoted George V's dying words 'Bugger Bognor' and has to render them as 'To hell with Bognor'."

I agreed that was a problem. "But we are making progress in other areas," said Jean-Peter. "We are trying to establish a fixed system of cliché exchange that would enable politicians to be immediately understood. People often take each other literally and the misunderstandings are dreadful. You must come to 'Escalade 93' in Essen in March. It's going to sort these things out. Britain is making

a huge contribution."

He pointed to a board on which was written, "You can't kick start the economy by moving the goalposts on a level playing field."

"As it stands that sentence is quite incomprehensible, except in Greek. It gives our interpreters enormous problems."

Elsewhere I saw other country's contributions. The French offered *Nous n'allons pas nous noyer dans la morosité du bouc-émissaire à la dérive*.

"Erm..." I said. "We aren't going to drown in the gloom of the rulerless scapegoat? Not bad."

"But what does it mean?" shouted Jean-Peter. "Look at this

Wir sehen im Fass ohne Boden die Reflexion des wiederaufgebauten Hunnen-Schreckensbildes."

"That's okay. We see the reflection of the reconstructed Hun shock-picture in the bottomless barrel. It's about the new Nazis in Germany."

Jean-Peter tore it up, not wanting to waste time on anything sensible. His plan is to compile a list of phrases in each language which can be appropriately adapted - "words which can move across national frontiers as easily as a 40-ton truck."

"But the trouble then," I mused, "is that you will end up with things like 'We must implement appropri-

ate computer software management modalities.' All familiar and all in English."

"If we stopped there you might be right. That phrase is no good - it should incorporate actually existing reality."

"I say, that's not bad. 'Actually, exist...'"

"...ing reality. Precisely. I used the phrase advisedly. We have developed. The leitmotiv of actually existing reality is to be seen in the sine qua non of the acquis communautaire. That refers, of course, to the evolution of the post-Maastricht ratification process of widening and deepening the Community."

gave a faint leer and said, "A thirsty teetotaler prefers a pasta to a pickled herring."

"I beg your pardon."

"That's one of our new cross-border proverbs and sayings. Delors is going to use it next week. I hope you won't break the embargo on it. Perhaps you can help, on a free-ance basis. We pay for new sayings."

"I'll have a go."

"And don't waste time like a Spanish waffle-maker or turn it all into a Pomeranian paella, these things are as rare as a Brandenburg olive..."

"I won't fail - I'll wager all Lombard Street to a China orange on it."

"Hey, that's good. I'll add it to the list."

James Morgan

James Morgan is economics correspondent of the BBC World Service.

Minding Your Own Business

A little chandlery still clinging to the rigging

Nick Garnett on a small shopkeeper's fight to stay afloat in a hostile climate



Knotty problem: Adrian Burks, managing director of Yacht Parts, is tackling a changing business

CORNER shops are businesses. They are one of the simplest forms of enterprise allowing owners to be their "own man." They also account for a substantial chunk in the long litany of recent small company collapses.

Sometimes, it is a case of too many newsgroups in one neighbourhood, or a village where economic life has been deadened by weekenders. In others, it is a personal failure to grasp the basics of buying and selling and controlling costs.

The short history of Yacht Parts, a marine chandlery actually housed in a larger-than-average corner shop in London, shows many of the serious difficulties afflicting small shop-based operations.

The owner, Adrian Burks, remains confident about the company's future, but he can reflect on a series of crises since he started up in 1984. Opening another site in East Anglia nearly three years ago, he says, wrecked the company's cash flow and nearly broke it. Switches in customer demand have been awkward to deal with, and a computer system difficult to set up and run.

Lower profit margins have dogged the business. In its first full year, Yacht Parts broke even on a turnover of £90,000. In 1991, it squeezed a profit of £6,000 on £345,000 turnover. In the year to September 1992, it rolled up a loss of £13,000 on £254,000.

So, it is hardly surprising that 36-year-old Burks says: "It has become clear, as a result of analysing both costs and sales, that a big marketing effort is needed to increase turnover to cover costs. In the past, we have been drowning in our own mess. We have cut costs

and I feel we can increase turnover by a quarter over the next 12 months."

Now, Burks is accelerating the process of transforming Yacht Parts from a chandlery serving the recession-hit boat-club fraternity to a broader supplier of products, from outdoor clothing to rigging for the interior design industry.

With his brother, Burks inherited a yacht-chartering business before joining one of the handful of chandeliers in London. In 1984, the brothers set up their own business in the same premises Burks still uses in Fulham. "We had £5,000 of our own money, £5,000 from an investor friend and a £10,000 overdraft from Lloyd's bank." Rent was then £5,000 a year but, with rates, has risen to more than £18,000.

The shop still caters for boat-owners living in London. But, two-and-a-half years ago, Burks made the mistake of opening another arm at Shetley, Norfolk. "It's at the end of a peninsula served by a small marina road. The only captive market was the boats in the marina and the promise of a larger marina development never materialised."

"We were there for a year. We didn't take a direct loss but we bought in a lot of stock, some of which we had to sell at below cost. It gave us terrible cash flow problems from which we are only beginning to pull out."

Burks is most concerned now with the need to move the business further away from its roots. The Fulham shop is still packed with stuff for messing about in boats, from dinghy splash suits and compasses to floating winch handles and miniature electronic navigation systems. But

he is fleeing from some of the products on which the company was built.

Chandlery, which accounted for 60 per cent of business four years ago, now makes up less than a third of sales and is likely to fall to 20 per cent or so, Burks explains. "That is partly because margins are so low due to the recession and the difficulties of managing hardware. Holding chandlery stocks can be a nightmare." He cites the 500 types of stainless steel screws used in boats, and the chandlery supplier with a 300-page catalogue covering thousands of products.

Second-hand equipment, from navigation lights to portable toilets, has dropped from a quarter of Yacht Parts' business to just a few per cent. "People are keeping hold of things much longer," he says. Sales of electronic equipment are also much less important. "There are specialist mail order companies doing this. What's the point of making £5 on a £200 item?"

To compensate, he is counting on clothing and rigging. A much wider range of outdoor clothing and shoes now makes up more than a third of sales, and Yacht Parts has negotiated a couple of exclusive distribution arrangements with British clothing suppliers.

Burks says rigging accounts for a quarter of sales and this is growing, particularly for building work and interior design. One of his contracts - which includes installation - is a design feature at a London suburban railway station.

Yacht Parts has some heavy overheads. Burks' modest yearly salary is £14,000, wages are £21,000 a year; transport £7,000 and a stand at the London Boat Show, and prepara-

tions for it, £8,000. "We tried to do without advertising, but that was a mistake and we are spending about £13,000 a year on that."

Burks still faces big problems with turnover and lack of profit. He plans to try to raise prices by 10-15 per cent and use much more direct marketing. That includes direct mail promotions for the firm's rigging service to theatres, exhibition halls and sports facilities, and direct mail to yacht charter operators and yacht clubs.

Yacht Parts has started offering deals to businesses in west London, allowing their staff discount prices on its goods.

To help control stocks, potential customers can now sit in an office and choose chandlery items from a battery of catalogues. Burks will order the goods as one-off items.

The company also took 18 months to get its £1,300 computer system running properly. "A friend eventually acted as

consultant," says Burks, who has never taken a business course. He admits: "I would have benefited from one. A friend of mine has an MBA and he has lit up a lot of things, even with a simple question like: 'How much is that photocopy really costing you?' I had no idea."

Burks says the business was in real trouble in the spring. "I had cash flow and stock control problems. The pick-up in trade did not take place. I felt very low. I was looking at a black hole." But two new investors have injected £20,000 between them.

"That picked me up and I now have more people to offer advice," says Burks. He recognises, though, that a lot of work, carefully thought-out decisions and a bit of luck will be necessary to put the business on a more secure footing. ■ Yacht Parts, London, 99 Fulham Palace Road, London W6 8JA. Tel: 081-741-8803.

BUSINESS SOFTWARE

To advertise in this section please telephone 071 407 5752 or write to Alison Pryn at the Financial Times, One Southwark Bridge, London SE1 9HL or Fax 071 873 3065

Technical Analysis

Synergy Seminar Series
Presented by an STA distinction holder, TRADING TACTICS provides practical training which can be understood and applied quickly. Covering subjects not found in the text books, we reveal the reliable trading signals. Course material is simple but powerful and will be of value even to non-Synergy users.
Call: 0582-42282 for details

COMPUTER AIDED

SALES & MARKETING

Breakthrough, comprehensive sales & marketing productivity system. Handles contacts, prospects, clients, dealers products & services. Produces form letters, mailshots, sales action lists. Report generator included. Manage sources, campaigns, costing, response evaluation, notes, telephone calls & much more on CD ROM DISC available. SODEL, FREEPOST, London N16 1BR
Tel: 081-683-6198
Fax: 081-365-3482

1-2-3 TAKEOVER

Analyse the financial health of any company. Demonstrate its commercial and financial strengths. Develop an acquisition. Price (includes VAT). ISM/compabilities. Clear manual. Disk size? 30 days money-back guarantee.
24 hour answerphone 0842 252 191
PLINCOLL PUBLISHING LTD, 100 THE VANGUARD BUILDING, BROADBENTHOPE, WYKE, SJA.
Tel: (0642) 230877.
Fax: (0642) 230660.

SHARETEXT for WINDOWS 3

Scan Coates & Oracle whilst using your word processor, spread sheet etc. Features comprehensive viewing, Sector analysis, Moving averages, Graphs, Portfolios & price alarms, Automatic news gathering/updates etc.
Price £150 + VAT.
Call for free demo disk.
FBI Ltd. 011 902 3000

UNIVERSAL EXOTICS

OPTIONS, SWAP, YIELD, ZERO-CURVE ADD-INS

Additional spreadsheet functions for Capital Market Professionals using Lotus 1-2-3 and Excel (Windows, OS/2, Mac), European and American style options and warrants on bonds, commodities, currencies, futures and shares. Free 30 day trial.
Financial Systems Software
2 London Wall Buildings
London Wall, London EC2M 5PP
Tel: +44 71-628 4200 Fax: +44 71-568 2718

NEURAL NETWORK

MODELLING AND FORECASTING

4Thought's state-of-the-art business models solve difficult business decisions, e.g.: pricing, quantifying the price/demand curve, advertising and promotions, showing which tactic will work best, best practice analysis, revealing each branch's true cost structure.
Has to be seen!
RIS Ltd
14 St Christopher's Place
London W1M 5HE
071-487 4726
Fax 071-935 5962

BUSINESS SERVICES

YOUR OFFICE IN LONDON From 70p a day.
Access/Telnet/Out/Modem Box etc. Office Box. Tel: 071 436 0706 Fax: 071 580 3725.

BANKING SYSTEMS

"Technically advanced"
"User friendly"
"Delivered on time"
"Within budget"
One of the three largest building societies comments:
Multi Currency
Multi Logical
John Ormond, Central Software
Tel: 0624 624967, Fax: 0624 626703

ICE 1992 INTEGRATED

MULTICURRENCY

ACCOUNTS PACKAGE

With multicurrency nominal, sales and purchase ledgers and cash books; multi-company capability; multi-fiscal document production; cheque reconciliation; simple installation; easy to use; audit training and support; powerful report generator; database, spreadsheet and word-processor interfaces. Join our satisfied client base.
FCCS Limited
Phone: 071 608 3008 Fax: 071 250 1205

FAIRSHARES 6.5!

The essential investment tool for portfolio management and analysis. Recent rave reviews in the F.T. We also have MetaStock 3.0 technical analysis, Brian Millard's Investment Focus, his books & software. Teletext links and our low cost DataService - free stock exchange on a weekly basis. Full information pack available. State disk size when ordering.
JSL Software Ltd
Freeport 3 West St Epsom Surrey KT18 7RL Tel: 0372 741000 Fax: 0372 738983

ACTI: THE SALES

MANAGEMENT SYSTEM

Track all your sales actions.
• Prompts all your actions.
• Has full WP, Modern, Fax support.
• DOS, WINDOWS, NETWORKS, MAC, HP/SPARC.
• Training, Consultancy, Support, Product ahead.
• Only for those wishing to get and stay ahead.
ASK FOR THE DEMO DISC
Brown and Company
Tel: 0582 486444
Fax: 0582 486333

LEGAL NOTICES

NO. 001196 OF 1992
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION.

IN THE MATTER OF
STANDARD CHARTERED LEASING
COMPANY LIMITED
AND

IN THE MATTER OF THE
COMPANIES ACT 1985.

Notice is hereby given that the Order of the High Court of Justice (Chancery Division) dated 9 December 1992 confirming the reduction of the capital of the above-named company from £2,000,000 to £100,000 and the appointment of the Court as receiver of the assets of the company as at the date of the said Order of the High Court of Justice is hereby registered in the Register of Companies on 22 December 1992. Dated this 22nd day of January 1993.
Barbara Lightfoot, Adelaide House,
London Bridge, London EC4A 3DF, SJA.
Ref: 1/5221/42.
Solicitors for the above-named Company.

COLLECTING

Dr. Reich-Sammlung ab 1871, mit guten Brustschilddrüse und Polarfahrt. Alles postfrisch + gestempelt. Michelwert 30.000,- für 6.000,- - Tel: Germany 511-8237339

HIGHEST RATES FOR YOUR MONEY

| Account | Telephone | Notice/term | Minimum deposit | Rate % | Int. paid |
|--|-------------------|-------------|-----------------|--------|-----------|
| INVESTMENT A/C's and BONDS (Gross) | | | | | |
| Scarbrough BS | 0800 580578 | Instant | £250 | 6.80% | Y/Y |
| Bristol & West BS | 0800 100117 | Instant | £2,000 | 9.10% | Y/Y |
| Scarbrough BS | 0723 388155 | 90 Day | £25,000 | 9.20% | Y/Y |
| Manchester BS | 061 634 9465 | 3 Year | £50 | 7.25% | M/Y |
| Chelsea BS | 0800 272505 | 31.3.95 | £10,000 | 9.57% | M/Y |
| Greenwich BS | 081 858 8212 | 1.3.94 | £25,000 | 10.25% | Y/Y |
| TESSAs (Tax Free) | | | | | |
| Allied Trust Bank | 071 626 0879 | 5 Year | £3,000 | 8.40% | Y/Y |
| West Bromwich | 021 525 7070 | 5 Year | £150 | 9.00% | Y/Y |
| National Counties BS | 0372 742211 | 5 Year | £3,000 | 8.75% | Y/Y |
| Tipton & Cooley BS | 021 557 2551 | 5 Year | £1 | 8.65% | Y/Y |
| HIGH INTEREST CHEQUE A/Cs (Gross) | | | | | |
| Caledonian Bank | HICA | Instant | £1 | 6.50% | Y/Y |
| Money Market Plus | 0800 555894 | Instant | £2,000 | 7.20% | M/Y |
| Chelsea BS | 0800 717515 | Instant | £10,000 | 7.80% | Y/Y |
| | | | £25,000 | 8.10% | Y/Y |
| OFFSHORE ACCOUNTS (Gross) | | | | | |
| Portman CI Ltd | Channel Islands | Instant | £500 | 7.00% | Y/Y |
| Portman CI Ltd | Channel Isl. Plus | 60 Day | £10,000 | 7.75% | Y/Y |
| Bristol & West Int'l Ltd | Intl Premier | 6 Mnthg | £25,000 | 8.00% | Y/Y |
| | | | £50,000 | 8.20% | Y/Y |
| GUARANTEED INCOME BONDS (Net) | | | | | |
| Prosperity FN | 0800 521546 | 1 Year | £25,000 | 5.50% | Y/Y |
| Prosperity FN | 0800 521546 | 2 Year | £25,000 | 5.55% | Y/Y |
| Laurentian Life FN | 0452 371371 | 3 Year | £50,000 | 6.70% | Y/Y |
| Financial Assurance | 081 367 8000 | 4 Year | £5,000 | 6.20% | Y/Y |
| Laurentian Life FN | 0452 371371 | 5 Year | £50,000 | 7.00% | Y/Y |
| NATIONAL SAVINGS A/Cs & BONDS (Gross) | | | | | |
| Investment A/C | | 1 Month | £5 | 6.25% | Y/Y |
| Income Bonds | | 3 Month | £2,000 | 7.00% | M/Y |
| Capital Bonds G | | 5 Year | £100 | 7.75% | OM |
| NAT SAVINGS CERTIFICATES (Tax Free) | | | | | |
| 40th Issue | | 5 Year | £100 | 5.75%F | OM |
| 8th Index Linked | | 5 Year | £100 | 3.25% | OM |
| Childrens Bond E | | 5 Year | £25 | 7.85%F | OM |

This table covers major banks and Building Societies only. All rates (except Guaranteed Income Bonds) are shown Gross. Fixed = Fixed Rate (All other rates are variable) OM = Interest paid on maturity. N = Net Rate. B = Bond. F = Rate guaranteed only until 1.1.93. Y = Rate fixed only until 1.1.93. M = Rate guaranteed until 1.5.93. S = Rate guaranteed only until 1.2.93. L = Rate guaranteed only until 12.2.93. # = After 6 month qualifying period.
Source: MONEYFACTS, The Monthly Guide to Investment and Mortgage Rates. Laundry Lane, North Watsham, Norfolk, NR28 0BD. Readers can obtain a complimentary copy by phoning 0892 500677.

My hidden relatives

FROM 1985 I lived with a woman as common law man and wife. She died recently intestate. There are no blood relatives alive. Should a step sibling materialise what is my legal position as regards the disposal of her house and possessions?

■ If the deceased left no relatives of the whole blood, the rules of intestacy specified in the Administration of Estates Act 1925 and the Intestates' Estates Act 1952 allow brothers and sisters of the half blood or, failing them, uncles and aunts of the half blood to inherit. If anyone in either class were found, they would (together with all others in the same class) inherit all the estate, equally between them if there is more than one.

■ If diligent enquiry produces no one in either class, the Crown will take the estate, but you can make a claim to an *ex gratia* provision for yourself from the Treasury Solicitors' Bona Vacantia department. It is usually sympathetic.

A return is good form

AFTER THE first year of independent taxation for married couples, my wife made a claim to the Inland Revenue in respect of tax overpaid on her income from investments, then largely in equities. The claim was met, and she was sent another tax repayment claim

form for the subsequent year. She has not used the form because she has since arranged matters so that the nil-rate tax band is covered by income from investments not taxed at source. She plans to continue this process, as nearly as possible and in balance over the years.

The Revenue has taken no further interest in her affairs, and meanwhile the tax vouchers, contract notes, and other records are piling up. How long should they be kept in case of future approaches from the Revenue?

■ Even if your wife has been faithful (or lucky) enough to arrange that her untraced income of 1991-92 amounted precisely to £2,005, we recommend that she submit a tax return/claim. Even if you are both a long way from your 66th birthdays, and your wife does not wish to claim any part of the married couple's allowance, it will be simpler in the long run if she continues to submit tax returns.

You may like to ask your tax office for the free pamphlets IR80(1992) (Income tax and married couples) and IR84(1992) (Have you anything to declare?).

Plans for a garden sale

WE BOUGHT the house in which we live, with a garden, six years ago. This year we received planning permission

Q&A

BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in this column. Enquiries will be answered by post as soon as possible.

for a house on the rear part of the garden.

1) Can we avoid capital gains if we sell the land with planning permission before we sell our house, using that land as part of the garden right up to its sale?

2) The land with planning permission is separately registered. It was added to the original garden nearly 50 years ago (we bought the house and the whole garden as a single transaction). We are about to remortgage our property if we exclude that land from the mortgage, could this affect the capital gains position?

■ 1) Yes, in principle, provided that the tax inspector is (or the Appeal Commissioners are) satisfied that you did not buy the house "partly for the purpose of realising a gain from the disposal of it" and that no expenditure after the purchase was "incurred wholly or partly for the purpose of realising a gain from the disposal". The words in quotation marks are from section 294(3) of the Taxation of Chargeable Gains Act 1992. Ask your tax office for the free pamphlet CGT4 (owner-occupied houses).

2) No (subject to the same proviso).

The solicitors who act for you in the remortgage - and the prospective sale - will be able to guide you through the CGT pitfalls etcetera, of course.

مكتبة النور

FASHION

Banish the grey

It is time for the British male to brighten up his act, says Christopher Brown

UNLIKE his counterparts in the bird kingdom, the British male is usually drab. There might be a flash of colour at the throat or on the chest, but he shies away from primary or secondary colours, assuming he knows what they are.

There is, however, change afoot and, like magpies, our British male is being attracted to 'brights'. It could be a reaction to the grey weather, or a long-delayed decision to make a visible display to attract the opposite sex.

Whatever the reason, sartorial life looks as if it is going to be more colourful in 1993.

Once colour was the preserve of the Italians, the French, and even the Americans (remember all those bright tuxedos?). Now the British male is also being tempted to buy clothing which is not grey, black or navy.

You will not see the migrating flock of grey suits on London Bridge turn overnight into an exotic and colourful flight, but you will begin to see red jackets appearing on the street, at parties and in restaurants. Red is no longer the exclusive domain of huntsmen, guardsmen or Butlin's redcoats.

There are those who think that colour does not become the British complexion. But this is a fallacy; in the 18th and 19th centuries, the male was a peacock and it is only during this century that colour has become associated with vulgarity, eccentricity and effeminacy.

But greys, blacks, browns and dark blues have now become the colours of the male plumage, with the occasional chance

to wear some bright tweed in the country or a pastel blazer in the summer at some jolly boating event.

Now the British male has the opportunity to invest in colour for his wardrobe. In most menswear shops, from the easily accessible Oakland and Next to Jones with its emphasis on top-class international designers, colours across the spectrum are being introduced on to the rails.

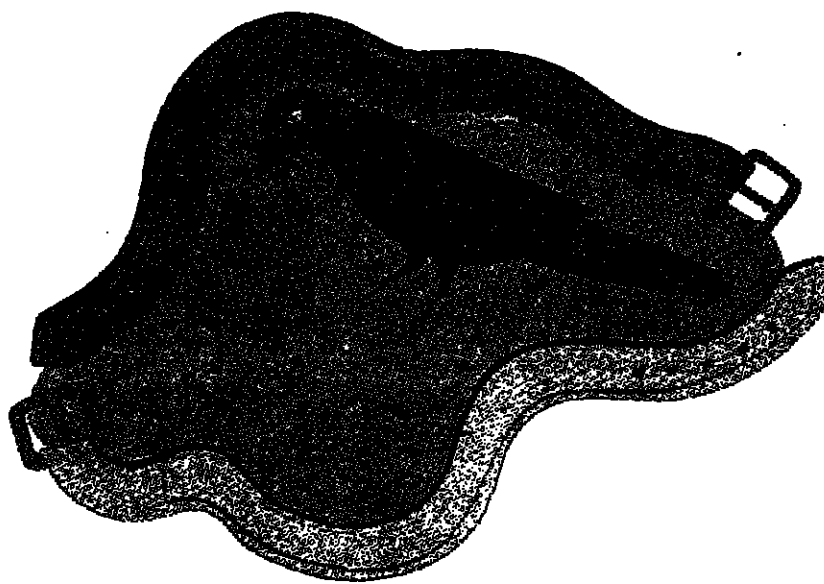
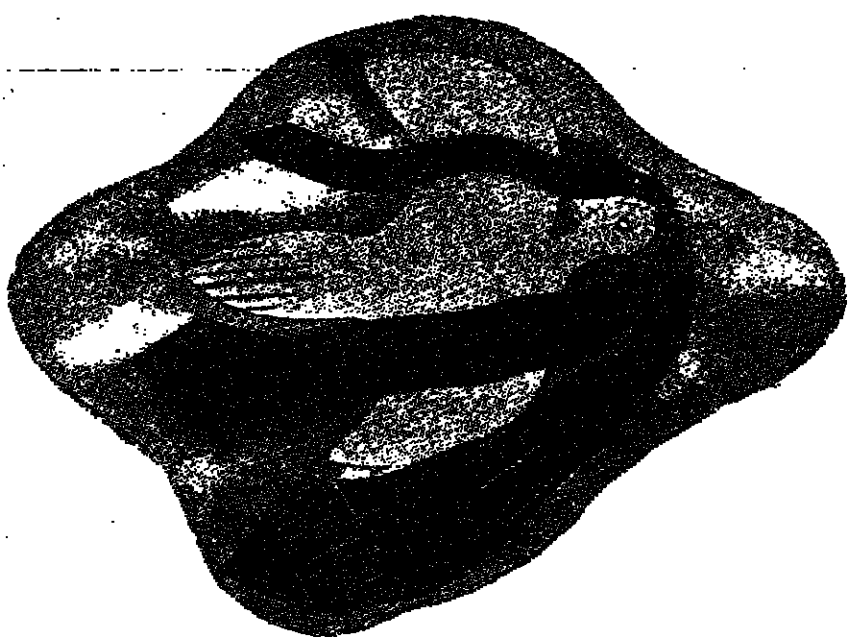
And Paul Smith proves that English designers are not afraid of colour, offering not only clothing but also belts and shoes in various colours.

In Savile Row, a cuckoo has appeared among the distinguished ranks - Richard Jones offers beautifully cut 'traditional' clothes made from wonderful cloth in marvellous hues.

Colour is not about vanity - we all perhaps remember too well the Aesop fable in which the crows gather feathers from other birds so as to be able to rival the peacock, only to be humiliated because of his presumption.

Instead, it is about having the confidence to pluck out just a handful of grey feathers and replacing them with some brighter ones.

TIES do not have to come with grand international names attached. It may be more fun to go for less immediately recognisable designs. Sketched here (below) are a hand-embroidered, mustard-coloured silk tie with an olive and red flower appliqué motif by Sarah Beresford, £49, and a blue check silk tie, £39, both from Paul Smith, 41-44, Floral Street, London, WC2.



TRAIL BLAZERS: (Top, from left): Red wool blazer by Hugo Boss, £183 from Woodhouse branches, including 97 Kings Road, London SW3. Brilliant green velvet waistcoat, £105, from Freedman & Tarling, 27 Cork Street, London W1. Lilac cotton/viscose shirt £65, from Agnes B, 111 Fulham Road, London SW3 and 35-36 Floral Street, London WC2. Grey and white silk tie, £45 from Richard James. Purple suede gloves, £45 from Paul Smith. Thierry Mugler grass-green wool

jacket with metal star buttons, £485, from Jones, 13 Floral Street, London WC2. Worn with red and white cotton shirt by Comme des Garçons, £110, golden yellow Harris tweed waistcoat, £125, both from Jones. Red suede gloves, £45 from Paul Smith. Deep purple pure wool jacket, £350 from Richard James, 37a Savile Row, London W1. Worn with a cyclamen cotton/viscose shirt, £55, from Agnes B and a bright red velvet waistcoat, £105, from Freedman & Tarling. Lilac suede gloves with sheepskin lining, £59, from Paul Smith. Silk tie, £45 from Richard James. Silk handkerchief, £25 from Richard James. BELTS can also be used to add colour. Above is a brilliant blue and a sizzling yellow leather belt, £39 each, from Paul Smith. The cufflinks (left) come in a leather pouch and are gold-plated with black or red cord, £45, from Freedman & Tarling. Cufflinks (right) are from an original design by Line Vautrin from the '50s. Gold-dipped, £245 from Richard James.



GREAT KNITS: Hand-knitted pure wool sweater, £165, from Christopher New, 56, Neal Street, and 52 Dean Street, London W1. Green cotton Levi jeans, £82, from Paul Smith. Grey fake fur hat, £60, from Christopher New. Plain silk ties, £45 each, from Freedman & Tarling, 27 Cork Street, London W1.

Where to find a good cup of coffee in the sales

SHOPPING in the sales can be exhausting as you lug heavy carrier bags from one overheated store to another. Desperate for something to eat and drink, you end up in the basement of a large department store, eating under-cooked and overpriced microwave jacket potatoes. But you do not have to suffer: here are some suggestions on where to find the best snacks.

In Oxford Street, the best in-store cafeterias are Selfridges and John Lewis's The Place to Eat. But it is often quicker and more pleasant to step outside. James Street, just north of Selfridges and round the corner from Nicole Farhi and Buckle My Shoe in St Christopher's Place has several cafes, including Cafe Rouge and Cafe Creperie.

Five minutes' walk north of Selfridges is Maison Sagie, 106 Marylebone High Street. This is an old-fashioned, continental patisserie and is ideal for a late breakfast of strong, coffee and brioche, croissant, a fruit tart baked downstairs, or lunchtime omelette. A pot of filter coffee is £1.25, a croissant £1.10. It is open 9am to 5pm weekdays and to 1pm on Saturday.

Close to the Loewe end of Bond Street is the Granary Restaurant, 39 Albermarle Street. If you are hungry this is the place to go, either for a huge salad, hot dishes or with imaginatively cooked vegetables or old-fashioned puddings. Avocado stuffed with spinach and cheese or paella with chicken and mushrooms is £6.90. Staff are helpful, the self-service queue is short and children are welcome. A meal for one with a glass of wine, desert and coffee is £11-£12. Open from 11.30 am to around 5pm on weekdays; Saturday to 4.30pm.

On the edge of Knightsbridge is The Conservatory in the Lanesborough Hotel Conservatory in the Lanesborough Hotel on Hyde Park Corner. It is not cheap but is worth a visit if just to see the lavish neo-Gothic design. The hotel staff are friendly, courteous and helpful and unsnoozy. A large cup of cappuccino is £2.50; Caesar salad with is duckling £7.50. From 3-6 pm a

pianist accompanies afternoon tea; scones, crumpets and clotted cream £5.00; full afternoon tea £13.50. It is open from 7am to 12 pm.

A short walk away in Harvey Nichols' basement is Joe's restaurant bar which does a tasty selection of light meals. The decor is black and grey, the clientele trendy, but less so than in Joe's on Dreycott Avenue. Service is quick. The mushroom soup is good but is almost the cheapest item on the menu at £3.95. The sultana bread, provided free, is excellent and makes up for the £1 cover charge levied during lunch.

Filling club sandwiches are £7.50; appetising salads start from £7.50. The restaurant is open for lunch noon Monday to Saturday (11am to 3.30pm Sunday) and dinner from 7pm, Monday to Saturday.

Emporio Armani Express, 191 Brompton Road, does a tasty *crostini* - toasted bread with chicken livers, tomato and mozzarella. Parma ham and artichoke for £4. Cappuccino is good and creamy, but at £2 a cup it should be. Lunch includes Italian dishes and salads. Main dishes are £8 - £10.00. There are interestingly dressed people to stare at if you are eating alone. Open 10.00 am to 5.30 pm; lunch from 12.30.

There is no shortage of choice in the Brompton Cross area. Near Beauchamp Place, Patisserie Valerie, 215 Brompton Road, offers a good breakfast until 11.30. At lunchtime, there are more substantial dishes, such as *croque monsieur* for £2.80, but the pastries and deserts should not be missed. *Tarte aux pommes* is £1.50; good

cappuccino £1.20. The tables at the back get busy but there is usually room at the counter. Service is quick and efficient. It is open 7.30am to 7pm Monday to Friday; to 7pm on Saturday and 9am to 6pm on Sunday.

A favourite among shoppers is La Brasserie, 272 Brompton Road. Hot food is served all day including *croque monsieur* £2.50, spinach salad with feta cheese £4.80. A small pot of coffee for two is £1.60. It is open Monday to Saturday 8am to 12 pm and from 10 am on Sunday.

For Sloane Square and the King's Road, Cafe de Blank in the basement and conservatory of the General Trading Company 144 Sloane Street is hard to beat.

Breakfast includes kedgeree and omelette with herbs, or you can choose from a tempting selection of pastries and healthy-sounding cakes. At lunchtime, salmon cakes and dill sauce cost £5.95; home-made soup with cheese and onion bread £3.25, perhaps followed by Greek yoghurt, honey and almonds for £2.75. The staff are friendly and quick, the conservatory overlooking the small garden is light and pleasant. Open from 8am to 6pm.

Serious shoppers often skip lunch and take tea instead. Brown's Hotel 30-34 Albermarle Street serves tea from 3-6pm every day. The lounge is warm, quiet, comfortable and highly sophisticated. I spotted two immaculately behaved toddlers among the predominantly American clientele. Customers may have to wait. Tea - a huge selection of cakes, scones and sandwiches is £12.95; high tea with a supper dish is also available. Gentlemen must wear jacket and tie.

Tea is an equally well-established institution at The Hyde Park Hotel where the sounds of the pianist tinkle across the elegant Park Room Restaurant, which overlooks Rotten Row. Tea, sandwiches, scones and cream and cakes are £10.50 per person. There is a cloakroom where visitors can leave shopping. It is advisable to book. Tea is served daily from 4pm to 6pm.

NOW'S THE TIME FOR WINTER'S GOOD BUYS AT 100 REGENT ST. THE AQUASCUTUM SALE

Open Today

Open 9am until 6.30pm.

| Examples for Men | | | Examples for Women | | |
|------------------|----------------|------------|--------------------|----------------|------------|
| | Original Price | Sale Price | | Original Price | Sale Price |
| Raincoats | £275 | £175 | Raincoats | £295 | £175 |
| Coats | £325 | £250 | Coats | £349 | £250 |
| Suits | £295 | £195 | Suits | £399 | £299 |
| Jackets | £250 | £150 | Jackets | £295 | £195 |
| Duffel Coats | £425 | £195 | Skirts | £119 | £75 |
| Leisure Jackets | £250 | £125 | Blouses | £119 | £59 |

Generous Reductions. Many at half price

Aquascutum
OF LONDON

100 Regent Street, London W1. Telephone: 071-734 6090
also at our branches in Manchester and Bristol



HOW TO SPEND IT AND OUTDOORS

Motoring/Stuart Marshall

Bumper forecast for new models

AS I peered into the bottom of the Waterford tumbler that serves as my crystal ball, what did I see for motoring in 1993? A brighter prospect than last year's - and I do not think my optimism had anything to do with a warming dram of Islay malt.

It is going to be a bumper year for new models. Without wishing to sound like a government minister trying to keep up his spirits, car registrations did soar unexpectedly in December and the flood of new models is bound to stir the market.

Among the most important of 1993's new model crop is Ford's front-wheel driven Sierra replacement, the Mondeo. It takes its bow at the Geneva show in March. So will a deadly rival, the Citroën Xantia.

A month before that, the Peugeot 309's replacement will have been unveiled at the Amsterdam show.

Earlier still, British buyers of

small cars and multi-purpose vehicles (MPVs) will have been tempted into showrooms by two new Nissans. They are the British-built Micra (European Car of the Year 1993) and the Spanish-built, though in many cases British engined, Serena.

I used both cars as transport over the holiday and was impressed; more of them in this column soon. Prices will be announced next week.

The Toyota Carina E saloons and hatchbacks rolling off the assembly line at Burnaston, Derbyshire, are powered by engines made in north Wales. The Carina E has been criticised (not by me) for offering so much silence, efficiency and promised reliability as to be tedious. That kind of boredom appeals to real-world buyers, if not to writers in magazines which persist in treating everyday motoring as a sporting activity.

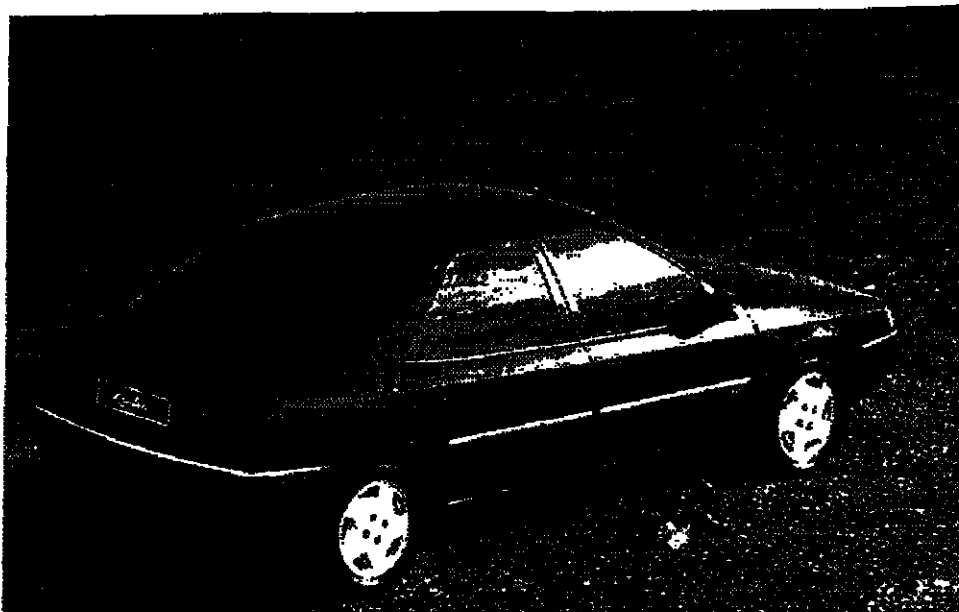
Mercedes-Benz sales, higher in the UK last year than in 1991, will be boosted by the arrival of the new 190 (another Geneva debutante). Quality car

sales have been generally healthy in Britain in recent months. There may be fields full of unsold Mercedes in Germany, where the recession is only just starting to bite, but there are none in the UK.

Honda's British-made Accord (and Montego-replacing Rover 600 version) will sharpen competition in the middle-management business car sector. Fiat, a marque I suspect will at last be coming in from the cold in Britain in 1993, will put its dinkily attractive Cinquecento before buyers here in late spring. Towards the end of the year, the replacement for the best-selling Uno is expected.

Hot hatchback sales will be further depressed in 1993 as they become harder and yet more costly to insure. Frustrated hot hatch drivers will continue to switch to recreational four-wheel drives. There will be a major upset in this recession-resistant sector with the arrival of Chrysler Jeeps later this month.

Jeep Wranglers will appeal to the young, family men will



Citroën's Xantia: making its debut at the Geneva show in March

go for the Cherokee. This very civilised five-seat estate car takes to the road like a Volvo, and goes across country like, well, a real Jeep. At a little more than £20,000 with a four-litre six-cylinder engine, automatic transmission, leather seats, wood veneer trim, air conditioning, ABS brakes, cruise control, power windows and six-speaker stereo, it makes nearly all its competitors look expensive.

Diesels made up 16 per cent of registrations at the end of 1992 compared with only one per cent a decade ago. (Modesty alone prevents my saying

I told you so.) Their popularity will grow and by the end of 1993, one new British-registered car in five could well be a diesel.

Seeing no reason to break the habit of 14 years, I am driving into 1993 in yet another diesel - a Citroën XMtd estate with automatic transmission. I shall shortly be reporting on our first few thousand miles together.

Headlines this year will continue to blame multiple motorway pile-ups on fog, frost and snow instead of on mindless and inattentive drivers failing to maintain sensible speeds

and observe proper braking distances.

Footpaths will be used as parking places by car and commercial vehicle drivers, too idle to walk a few yards and who do not give a damn for the safety and convenience of pedestrians, especially the old and the blind.

Tougher MoT tests should result in old, rusting heaps going to the knacker's yard where they belong. But with an estimated up to 10 per cent of all cars being neither taxed nor insured, I am not optimistic that all unsafe old bangers will be caught in the MoT net.

Bargains beckon

CROSS-Channel ferry operators, notably Stena Sealink, are already carrying extra travellers eager to buy cheap drink in France, writes Stuart Marshall. From yesterday, weight and space are the only practical limits on what a motorist can bring back, local duty paid, from France.

No longer will you have to trouble your conscience by tucking an illicit extra bottle under the seat. Customs' guidelines allow for 90 litres of wine, 10 litres of spirits, and 110 litres of beer. All you need do is convince them you are going to drink it all yourself.

Even duty-free allowances are to be doubled - you can bring in what you buy on both outward and return voyages. The pity is that with Ffr8 to the pound, not Ffr10, hypermarket wines are not the bargains they were. But lager (under £5 for two dozen 25cl bottles) is still cheap.

Stena Sealink, which offers day trip fares starting from £70 return for a car with five people, is featuring the Champagne-Ardenne region in its 1993 short break programme. Two nights' bed and breakfast in Reims will be about £80 a person in a two-star hotel and £130 for

a four-star *relais du silence*, ferry crossings included. For a small supplement, visits to champagne cellars, with a tasting, are included. Reims is a relaxed 2½-hour (and Ffr170) drive on the uncrowded A26 autoroute, starting in Calais docks.

■ Edmund Pennington writes: In Alice King's book *A Book of Wine* (Mandarin/Mitchell Beazley, £4.99, 128 pages) the wine-buying operation is planned in detail. Be sure to work out the car's payload and capacity, and how to pack the wine. A VW Golf hatchback with the back seat down takes 20 cases, a Ford Sierra 10 in the boot.

King lists and describes 230 wines likely to be found in French supermarkets and provides recommended growers' names to be found on the label.

Biggest savings are on sparkling wines: £1.53 a bottle on duty and VAT, compared with £1.11 table wines. Each wine listed is given the grape variety, its phonetic spelling and price band: inexpensive below Ffr20, medium-priced Ffr20-70 and expensive more than Ffr70. Buyers at cellars in wine districts must ensure that the green capsule *compé* is on the bottle top, as this alone shows that TVA (VAT) has been paid.

Gardening/Robin Lane Fox

Coping with that seven-year itch

NEW YEAR is a gardener's time for plans, reflections and memories. My plans are obvious: do better, kill more weeds; spray earlier against black spot and replant that supreme luxury, a wide, newly-mannered border, emptied of its previous jungle and creeping buttercups.

It looks as though single white Japanese anemones will have a large part to play. They have been one of my plants of 1992, refuting the notion that they prefer a dry year in dry soil. They will grow almost anywhere, but sometimes they need a few years to establish themselves. During the 1990s, they will have their chance to spread beneath a background of holly and a light canopy of sycamores on the problematic fringes of my garden.

As for reflections, mine run in a particular direction. I keep thinking of the principle which we all cite, but never fully obey: whenever you start a new garden or a new design, plant the perennials and big fea-

tures first. Time races by, until the seven-year wait for the first flowers on a Winter Sweet or the white buds on a Magnolia Grandiflora seem like a tiny interruption in the long road of a gardener's lifetime.

But whatever your time of life, the principle still applies. Think long term and do not make the inevitable mistake of being half-hearted. I never succeed in thinking out the long-lasting framework for an entire garden as a first move and I am always diverted in places by an anxious wish for immediate colour.

Although seven years seem an eternity when we first set out, ignore the prospect and always choose the best for the future, a Magnolia Wilsonii, not a Ribes, a

hedge of clipped box rather than laurel. Always begin by planting as many of the trees, large shrubs and hedges as you can.

As for the memories, they are less grandiose - 1992 turned out to be a remarkable year. The spring was very dry and early and, by mid-June, it seemed that everything in the garden would be over at once. After a mad acceleration of the season, it began to rain, gaining momentum in July and starting a welcome overture which has led up to the recent torrential winter, unparalleled in my memory. At the same time, the air remained unusually mild, giving us a vintage year for winter jasmine, magnolias and winter-flowering cherry, until these recent frosts.

If I could plant only one tree for the longer term, it would still be a winter cherry, of which the best form is the best-known, *Prunus Subhirtella Autumnalis*. Between the early drought and the later floods, evergreens and trees grew heroically. In the recent dry summers, survivors have been putting down deep roots: this year, they confirmed the old wisdom, that plants puzzle beginners by growing downwards for the first two or three years and then race upwards thereafter. Never single out a shrub as a slow performer on the sole evidence of early height.

In 1992, young yews, box and the admirable evergreen *Osmanthus* started to grow rapidly upwards, after four years of sending deep

roots down for water. As a post-script, berries then appeared by the thousand on all sorts of trees, making one of the best autumns for fruiting in my memory.

Since September, it has been the year of the Sorbus and I doubt if the Far Eastern forms have ever been finer in Britain. Readers with Plantfinders might share my enthusiasm for *Adenophora Tashiroi*, which comes from Japan and covers itself in pale grey-blue flowers like small lampshades. It is only a foot-high when in flower and, despite the books, appears to be completely happy in full sun and a stony soil.

Beside it, I had a group of the various *Parabeles* in white and pale milk-blue flowers. Again, these small evergreen shrubs make mar-

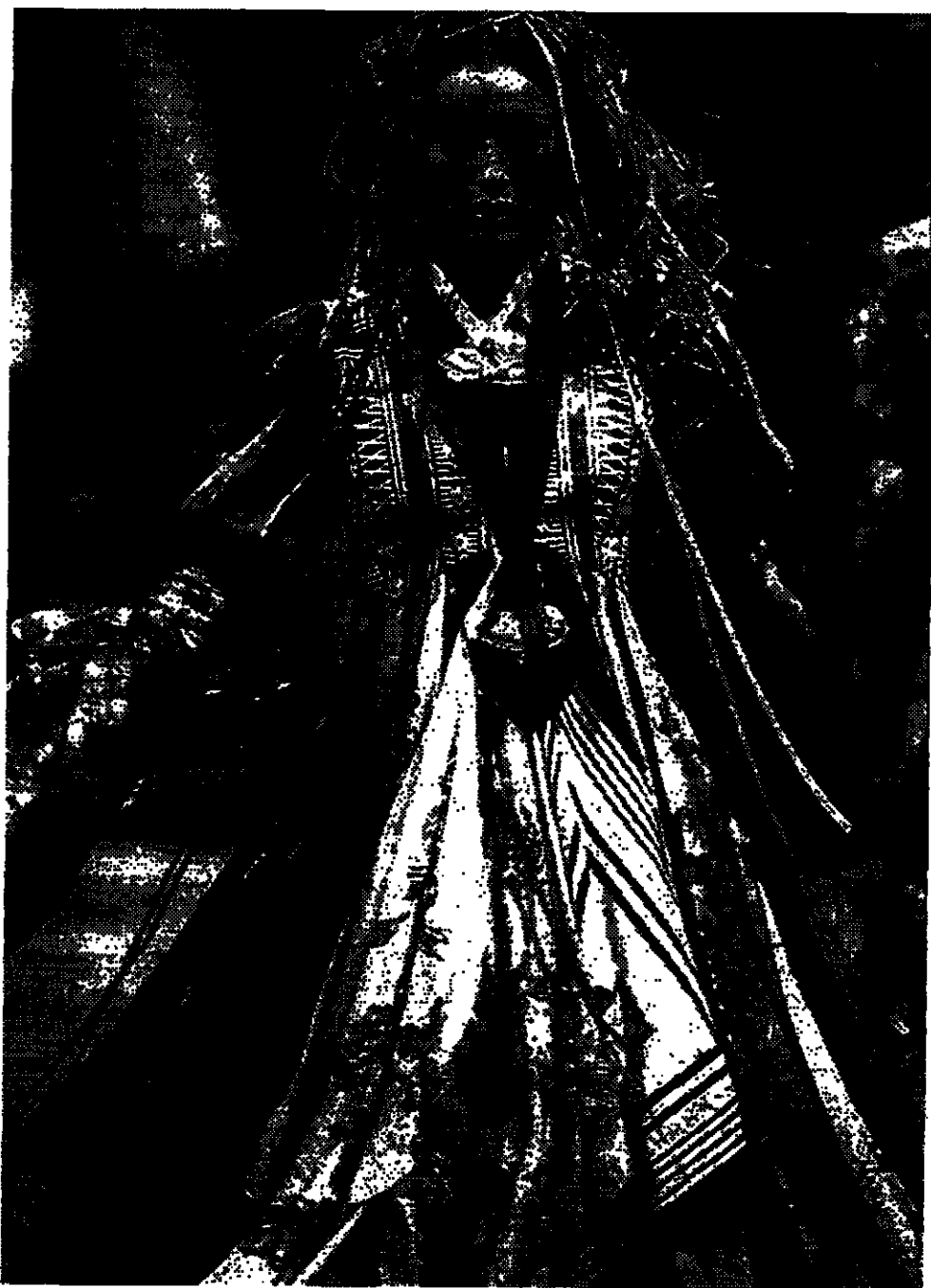
vellous edging for any low border and seem to flower throughout the summer. The frost has not hurt them and I cannot imagine why gardeners grow them so seldom.

Before the black spot, roses had an admirable fling in that extraordinary June where everything was running at least two weeks early. I have started to notice the qualities of some of the more delicate roses which were bred in the early 1950s and are now beginning to seem old-fashioned. I strongly recommend a quiet evening's research in Peter Beales' admirable reference book *Classic Roses*, in which he does proper justice to forgotten roses, bred in this era and kept in the trade by his nursery list, and often by no other.

Elsewhere, many climbers were magnificent, although they flowered absurdly early. For the first time, maturity showed me the full loveliness of climbing *Madame Paul Lede*. It flowers only once, but the huge double heads are a unique shade of dusky apricot pink, like the silk of a fine Edwardian dress.

My most lasting memory is not a rose nor, indeed, a flower of any kind: rather, 1992 was the Year of the Slug. In the wet weather, these non-human companions became fat, bloated and abominably slimy. They played hell with the hostas, but I am also pleased to be armed with an excellent modern antidote. Called *Growing Success*, it is pet-friendly, plant-friendly and slug-hostile. 'Slugs, I suppose, cannot help it, but they do have atrocious appetites: *Growing Success* removes them by the dozen, efficiently, cleanly and as victors can always afford to be magnanimous. I hope that the dozens who died in 1992 died, in their non-linguistic world, without any real pain.

Fantasy world of a rebel designer



One-of-a-kind: Tatsuno designs his garments individually, rather than as part of a collection

WHEN Koji Tatsuno was at school in Tokyo, he wore the same military uniform as every other Japanese schoolboy. From the outside, he looked like his classmates, but inside he had embroidered a red dragon on his jacket lining.

Tatsuno now has a broader canvas to draw on. The boy who customised his school uniform in 1970s Tokyo has become one of the most inventive fashion designers in

Europe today.

Tatsuno treats fashion as fantasy. His clothes are extraordinary creations of fabulous fabrics, pleated silk jackets and waistcoats in Victorian-style tapestry, finished with shell buttons or tiny pearls.

This winter's collection oozes opulence with silks and velvets. For summer, he has used materials on hand - pieces of cloth left over in his studio, leaves from the garden, even strips of salmon skin.

The effect is exquisite and individualistic. The designs are

not conceived as part of co-ordinated collections, but as particular pieces to be worn by different people. The cast list of his customers - from ascetic art collector Doris Seatchi to entertainer Diana Ross - reflects this. But all his clients will wear, and re-wear, their Tatsuno for years.

"If something is made properly, it should age," he says. "I would hate to think of people buying my clothes to wear them for a year and to throw them away. Clothes have lives of their own. The shape of a

garment and the feel of the fabric change. Anything I make today should look completely different in five or six years time."

Tatsuno, 29, is a slight man with long, silky black hair, wearing not one, but two, polo-necked and a chunky corduroy jacket against the chill of a drizzly London day. He has lived in London since 1982 when he arrived from Japan, with no money and no English.

Born in a Tokyo suburb, his father was an air traffic controller and his mother left home when he was very young. His father remarried and he did not get on with his stepmother. At 14 he ran away to find for himself in Tokyo.

Education is everything in Japan. A high school drop-out is an illiterate outcast with little or no hope of finding work. Tatsuno scraped along until he was sent to London to buy English antiques for a Tokyo dealer. The dust and dirt disgusted him after the spruce streets of Japan. With little money, he made his own clothes from fabrics he found at antique markets.

His break came when a buyer from Browns, the designer store, stopped him on the street and asked about the shirt he was wearing. Tatsuno started selling to Browns, beginning his own business, Culture Shock, which enjoyed a cult following before collapsing in 1986 with cashflow problems.

A shop on Mount Street followed, backed by Yoji Yamamoto, the Tokyo designer. Finally, in 1990, Tatsuno opened his own label.

He now operates from a shambolic studio on All Saints Road, in the heart of Notting Hill. Tatsuno and his partner, Yvonne Sporre, do all the designs and fabric development with a team of five. He does no formal training and designs by instinct. "I try not to think too much about it beforehand" - draping his fabrics around mannequins.

The core of his collection is still couture, but he has also introduced ready-to-wear made by an Italian sub-contractor. Ready-to-wear is a watered-down version of the couture and is also far cheaper. Joseph in London sells his ready-to-wear jackets for £350 and the couture versions for £2,000.

He shows at the Paris *prêt-à-porter*, which has given him an entrée into the international marketplace. His clothes are sold by Barney's in New York

and L'Éclairer in Paris, where he also has his own shop in Saint Germain. But his business is still small by international standards, with £1m turnover this year.

Tatsuno plans to stay in London. "I am a private person, still very Japanese in some

Koji Tatsuno turns ordinary clothes into specialities, says Alice Rawsthorn

ways. I always keep part of myself hidden and it is easier to do that here. In Milan or Paris, I would be sucked into the fashion system."

So far the system has been good to him. Christian Lacroix and Azzedine Alaïa, the Paris designers, both encouraged him when he was launching his label.

Didier Grumbach, chairman of Thierry Mugler, has given financial advice. Grumbach's sister, Sylvia, now helps Tatsuno to organise his Paris shows, just as she has helped Vivienne Westwood.

Tatsuno finds affinity with traditional Japanese aesthetics. "There is a simplicity and sense of balance that is very close to my vision. As an outsider, I now see aspects of Japan that I did not appreciate before." He also shares the Japanese obsession for exploring the extraordinary side of ordinary objects.

"I try to recognise ordinary things that can be turned into something special." Just as a simple stone is treated as an object of beauty in a formal Zen garden, so Tatsuno makes a stunning silver tunic from 3,000 safety pins or sews strips of salmon skin on to his jackets.

■ Koji Tatsuno, 28b All Saints Road, London W11. Telephone: 071 221 7451.

9.00 AM

WEDNESDAY

JANUARY 6TH

THE SALE.

SALE COMMENCES
WEDNESDAY JANUARY 6TH
9AM TO 8PM

SALE OPENING HOURS:
7TH AND 8TH 9AM-7PM.
9TH 9AM-8PM. FROM JANUARY 11TH,
MONDAYS, TUESDAYS AND
SATURDAYS 10AM-8PM; WEDNESDAYS,
THURSDAYS AND FRIDAYS 10AM-7PM.
SATURDAY JANUARY 30TH 9AM-7PM.

Harrods Ltd., Knightsbridge, London SW1X 7XL
Telephone: 071-730 1234.

THERE IS ONLY ONE HARRODS.
THERE IS ONLY ONE SALE.

THOMAS GOODE
THE GREAT GOODES
SALE
STARTS
SAT. 2nd JAN.
9.30-6pm.
FOR TWO WEEKS ONLY
GREAT REDUCTIONS
UP TO 70% OFF
SELECTED MERCHANDISE
GREAT NAMES
WEDGWOOD, ROYAL WORCESTER, MINTON,
SPODE, VANNY, LIMOGES, BAC CARAT, SHAW,
ST. LOUIS AND GOODES OWN CUTLERY
19 SOUTH AUDLEY STREET, LONDON W1
TEL: 071-499 2823

مكتبة من الكتب

FOOD AND DRINK

The empire cooks back

THE Ottoman Empire is being revived - in the kitchens of Istanbul. Old cookery books are being scoured in search of lost kebabs and forgotten pilafs. Restaurants are opening dedicated to the cuisine of the palace and the pashas rather than the food of the bazaar.

Even for the most jaded palate, Ottoman food is an adventure. Among its delights are sour dried plum, tripe soup with garlic vinegar and chicken pudding.

In a domed and arched courtyard beside the Süleymaniye Mosque, built by Süleyman the Magnificent in the 1550s, the Sultan established a soup-kitchen where the poor and the pious were fed at his expense. Last year a superb Ottoman restaurant, called Dardziyyafe, opened in the courtyard and the adjacent hall.

Among the best dishes in the long and elaborate menu are red lentil soup (Süleymaniye Çorbası), artichokes stuffed with minced meat, a special köfte (minced meat) of lamb, chicken and pistachios wrapped in water-pastry (Yufka Dardziyyafe köftesi) and a Ramadan pudding made of nuts and fruit. Since the restaurant is still part of the Süleymaniye Mosque complex, alcohol is not served. Who needs wine, when sherbet of grapes, strawberries or the hips of wild roses are automatically brought to your table?

In a traditional part of Istanbul, south of the Golden Horn, the Dardziyyafe has a faintly austere atmosphere: it is especially popular during Ramadan, with the congregation of the Süleymaniye mosque. The Tuğra restaurant, on the other hand, is in a different world: a 19th century sultan's palace on the banks of the Bosphorus, which has been transformed, in the last two years, into the Çırağan Palace Hotel, the most sumptuous in Istanbul. Vedat Başaran, the restaurant manager, trained in London, and

spent two years researching Ottoman food, teaching himself Ottoman script in order to read old cookery books. The son of a palace chef, Karamahmet Zennegolu, provided him with another link with the lost world of Ottoman food.

Ottoman cuisine, a mixture of Central Asian, Middle Eastern and Mediterranean influences, has always been sophisticated, some dishes requiring days of preparation.

every self-respecting pasha's household two sets of vegetables were served at meals: cold vegetables in oil and hot vegetables cooked in butter. In the Tuğra restaurant, lavishly redecorated in the style called "Saudi Hollywood", the food is prepared with a devotion to detail worthy of the palace kitchens. Fish is grilled on wood cut

example, but they should try some Turkish wine. The Kavaklıdere company produces good products.

In spite of the grandeur of these two restaurants, and the excellent service, on some evenings, overwhelmed by crowds, the food can be bland. Just as enjoyable was the Asithane Restaurant, in a simple district of Istanbul beside the Byzantine splendour of the Kariye Camii. The chef Rasit Özdemir is from Bolu, a province famed for its cooks. His lava (broad bean paste) and Vısneli Ekmek Tatlısı, bread soaked in sour cherry syrup - a distant Turkish cousin of summer pudding - were especially good. Pilaf or pilav is a speciality of Turkish cooking: the crack troops of the Ottoman army, the Janissaries, loved it so much that they used rice cauldrons on

to be served to Ottoman dignitaries. The deadening influence of nouvelle cuisine is apparent: a few mixed vegetables on the side of a plate often replace the traditional platefuls of the same vegetable. The iceberg lettuce has ousted local varieties. Some members of the Turkish Food Lovers' Association say that they are happiest in the simple restaurants behind the fish market in Beyoğlu.

The revival of Ottoman cuisine is part of the wider reappraisal of their position in the world, being undertaken by a minority among the new generation of educated Turks. They combine knowledge of the latest management techniques with a desire to rediscover traditions which they have lost since Kemal Atatürk replaced the Ottoman Empire with the Turkish Republic in 1923.

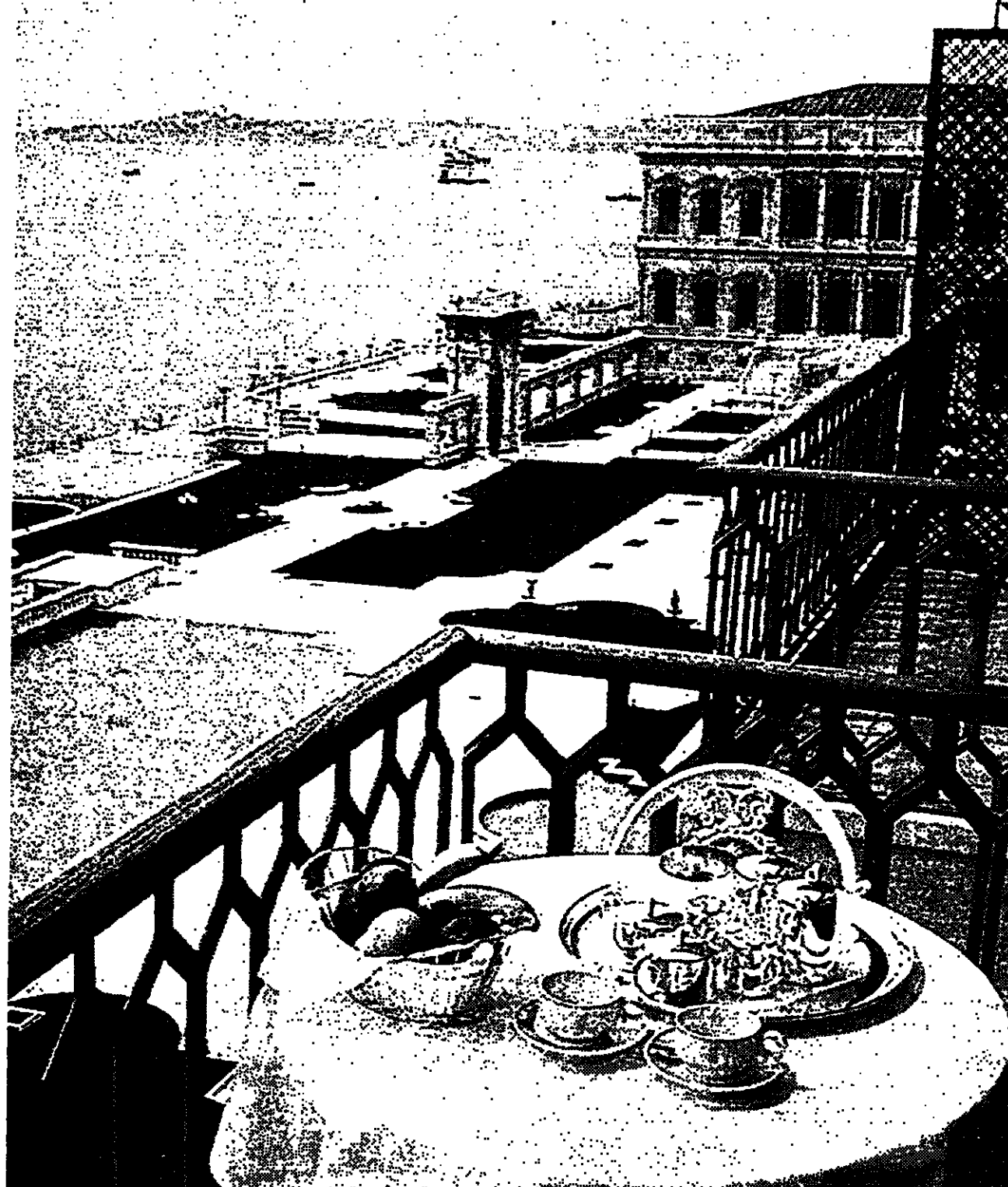
All three restaurants had musicians singing or playing soothing traditional Turkish music.

Since the Ottoman Empire was a multinational state, this new interest in the past is far from nationalistic. Dishes with Azeri, Albanian and even Greek names are on the menu.

Vedat Başaran, originally from Yugoslavia, says: "Ottoman was not only Turkish, it was part of a huge food culture." Older generations, brought up in veneration of the Atatürkist republic, are bewildered.

Information: Dardziyyafe, Şifane Cad. 6, 34440 Süleymaniye. Tel: 5118414. Fax 5261891. About £20 a head. Tuğra Restaurant, Çırağan Palace Hotel Kempinski, Çırağan Caddesi 84, 80700 Istanbul. Tel: 2583377. Fax 2596687. About £30 a head. Asithane Restaurant, Kariye Hotel, Kariye Camii Sokak, Edirnekapi. Tel: 5348414. About £10 a head.

Philip Mansel is author of *Sultans in Splendour: the Last Years of the Ottoman World* (Andre Deutsch 1988, £17.95). He is writing a history of Istanbul under the Ottoman sultans.



The Çırağan Palace Hotel: re-establishing the lost world of Ottoman food

Philip Mansel considers the revival of a cuisine fit for sultans

from a fresh bay tree, so that the heat blends the flavours. Quails are cooked inside giant aubergines, and lamb is grilled with peeled root of aubergine, in order to absorb the flavour of what Ottoman cooks considered the "king of vegetables".

Among the puddings Hünkâr muhallebi, milk pudding with wild strawberries and pistachios, is delicious. I hope the famous Ottoman pudding called tavuk göğsü, available in many local shops, will soon appear on the menu. Made of chicken meat beaten to a smooth pulp and then cooked with milk, sugar and cinnamon, it was frequently served to foreign guests.

In the late 19th century the deposed Sultan Murat V was imprisoned in Çırağan Palace for 28 years, by his brother Sultan Abdulhamit II. The best French brandy and champagne helped console him for the loss of his throne and his freedom.

Guests in the Tuğra restaurant can follow the Sultan's

regimental banners. In all three restaurants the pilaf was excellent and the Asithane restaurant served a variety new to me and my Turkish hosts: Kadirga Pilav (rice with almonds, pistachios and herbs served au gratin).

All three restaurants provide a reinterpretation, rather than a revival, of Ottoman cuisine. The energetic young manager of Dardziyyafe, Alper Okutan, admits: "Sometimes you have to modernise something. You don't have the exact material."

Vedat Başaran is determined to introduce what he calls "a new concept of Ottoman cuisine", adapted to the demands of the modern restaurant, and the need for attractive presentation on the plate. He says: "We are trying to bring out the old recipes according to new methods." Instead of whole chickens, stuffed with pistachios, oriental rice and spinach, visitors to the Tuğra restaurant are served stuffed breast of chicken, which used

A storm in an Earl Grey teacup

Giles MacDonogh turns to the tea leaves for new year inspiration

EVEN IN our democratic age the nobility has a way of selling things. It was not so long ago that a biscuit company engaged the services of a ducal pair to sell its products: "Mmmm, orangey," said her grace, as she nibbled away.

The use of noblemen and women in television advertisements panders to snobbery, but the attachment of aristocratic names to dishes has a more interesting history: partly based on the tradition of patronage and, in France at least, on a certain notion of gastro-eroticism at the time of Louis XV.

It was rarely, if ever, noblemen themselves who were behind the dishes which bore their names. The Maréchal de Soubise never sullied her delicate hands with onions any more than the Duchesse de Mailly spent her time experimenting with baby-rabbit filets. These dishes were the inventions of cordons bleus. Their purpose was to tickle the palate of His Gourmand Majesty. Any female courtier who came up with something special might well be considered next in line for the royal bed.

As we all know, the British do not have sex. There is nothing in the least bit sexy about a sandwich, even if the noble earl of that name did lay down

the law as to how it should be made. Boeuf Wellington might have a more aphrodisiac effect, but the origins of the dish almost certainly predate the Iron Duke's time. When we come down to it, most people in Britain would rather have a cup of tea.

As it so happens, our most famous tea also bears a noble patent; that of the second Earl Grey. This particular Earl

in a lecture delivered to an invited audience at the Victoria & Albert Museum last autumn, Wild poured scorn on the many legends which have grown up surrounding the tea: there was no truth in the story of Grey even visiting China, let alone saving the life of a Mandarin who, in gratitude, taught him his recipe for tea with the oils of bitter oranges.

Rarely, if ever, were noblewomen behind the dishes which bore their names

Grey was a busy man, a Whig grandee who introduced the Great Reform Bill in 1832 which began the process which ended with the democratisation of these islands. Did he then have the time to nip off to China in order to put together the blend of black teas and oil of bergamot which bears his name?

Tony Wild, of the East India Company, says definitely not. He and his research, Robert Baldwin, have been through the Grey papers at Durham University and found no evidence that the noble lord had anything to do with the Earl Grey blend.

Wild advances his own theory as to the origins of the blend. He traces the tea back to the circle of Sir Joseph Banks, the natural scientist, who edited the official account of the McCartney Mission to China in 1792.

The account contains a good deal of information on tea growing including the promiscuous planting of tea bushes and orange trees. Banks was also known to be passionate about tea.

One of Banks' friends was Sir George Staunton, whose father, another George, was part of the McCartney mission. Wild has uncovered some circum-

stantial evidence to show that Staunton might have dreamed up the famous blend, and has consequently marketed a new Earl Grey tea called "East India Company Staunton Earl Grey".

Rather more likely, however, is that Jacksons of Piccadilly simply asked the famous reformist Earl Grey for permission to attach his name to their new creation. Grey was after all, something of a hero for the newly enfranchised middle classes: the tea was bound to sell.

Wild believes he may have caused a storm in a teacup by these revelations but the sixth Earl Grey seemed fairly apathetic when I spoke to him: "He's just trying to launch his new brand, and good luck to him," he said charitably.

The noble lord, who appends his signature to the Twinnings brand, admits that the second Earl - to whom he refers quaintly as his "predecessor" - "never went to China" thereby refuting the version of the story written on the Twinnings' packet.

Lord Grey seemed most struck by Wild's claim that he was earning a fortune from Twinnings for "legitimising" the brand. As for the rest he simply was not going to rise to the bait: squabbles of this sort are simply too infra dig.

The art of a friendly welcome

THE FIRST restaurant I rang, where dinner would have cost £50 a head, did not seem concerned that it could not give me a table. There was no offer of an alternative time nor was my name and number taken in case of a cancellation. It showed little desire to welcome me.

The second restaurant could not have been more different - even though it was part of the same group, Forte. The receptionist explained the new menu, told me about its jazz trio and made me feel most welcome. Dinner was very reasonably priced.

Efficient but friendly receptionists are invaluable to any restaurant because first impressions are so crucial. Receptionists are also a restaurant's last line of defence. Any criticism of the food or service which the customer felt too intimidated to pass to the manager often comes out as the coats go on. A receptionist

worth her salt should be able to overhear and make some attempt at salvaging the situation.

Christmas and new year test a receptionist's talents to the full. Perhaps he or she will be grappling with 20 similar overcoats and black umbrellas from a group arriving for an office party. Maybe the receptionist will be propping up his or her eyelids until the early hours when the last guest leaves. Often a receptionist will be dealing with clients who are slightly the worse for drink.

But there will be financial compensations. Receptionists are paid a bread and butter rate by the restaurant, approximately £25 for a shift that may last from 5.30pm until 1.30 am. The cream is the tips. Until the Inland Revenue and the recession intervened, tips could amount to £40 to £50 in cash on a busy night. Today, the receptionist will invariably be last in the gratuities queue as customers curb spending and tips are pooled with the rest of the staff and taxed.

So what is the appeal of the job? For the answer I turned to Sian Cox, a woman who was the finest receptionist I employed in my previous career as a restaurateur. On paper, she was vastly overqualified - an attractive full-time schoolteacher and a mother of three. But she had the two basic qualities any



Sian Cox: a receptionist for one night a week and a full-time teacher

good receptionist needs - old-fashioned good manners and a genuine interest in the public. Sian Cox modestly described herself as "a people junkie".

Armed with Sian's qualities a good receptionist should be able to cope with the other demands of the job: to put themselves out, whatever the time; to be able to prioritise when dealing with the arrival and departure of guests; answering the incessant call of the telephone and handling irate taxi drivers who have

been given only a client's first name.

The final attraction of the job for Sian was that it gave her the opportunity for nights out in a completely different environment. Made-up and smartly dressed, she would leave her children with her husband and join a bustling, adult world which was a complete contrast to her day in the classroom. The receptionist's world may not be as intellectually stimulating as a teacher's but it can be more financially rewarding.

The most attractive bonus for any receptionist must, however, be that of Kurt Wachsveldt's, general manager of the Oriental, in Bangkok. Every New Year's Eve he opens its famous Bamboo Bar and closes when the last guest has left at about 6am. Then, armed with a large Bloody Mary, he heads off for a peaceful journey along the klongs (canals) of Bangkok. Sadly, this is a perk not available to even the finest restaurant receptionist in London.

Nicholas Lander

Cookery

Ginger up your new year cake

Philippa Davenport guards against bad luck

GINGER IS said to bring good luck. Will the eating of it ward off evil? Or, for a delicious pudding, top fingers of the cake with whipped cream or crème fraîche and serve them alongside a dish of Cox's Orange Pippins or Kidd's Orange Reds cut into crescent moon slices and fried in butter until gilded and sizzling hot.

The easiest way to guard against bad luck might simply be to crack open a porcelain jar of stem ginger in syrup and treat it like a fondue: give everyone a fork for spearing the nuggets and offer bowls of whipped cream or crème fraîche for dipping, and squares of best bitter chocolate (Black & Green's) to nibble on the side.

I also like the idea of making an Italianate ginger trifle - using panettone instead of sponge cake, Marsala as the booze, and a mixture of sliced stem ginger, segments of clementine and well toasted hazelnuts under billowing layers of custard and cream.

Already a festive favourite in this household is a ginger cake made along lines traditional in Cumberland, Westmorland and Yorkshire.

In those areas celebratory dishes are often laced with such ingredients as rum, molasses and all manner of spices. These recipes are a link to the flourishing trade in times past with the West Indies and Far East, and they serve as a reminder that Whitehaven was once one of the most important ports in Britain.

Old cake recipes like the one which follows are often known as pepper cake, rather than ginger cake. This may be because freshly ground black peppercorns are sometimes included for extra aroma and heat.

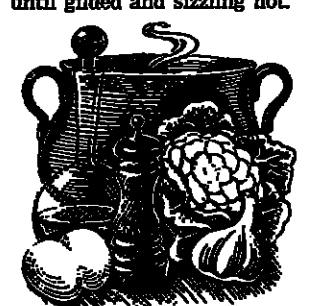
It is more likely, I think, to stem from the more frequent inclusion of Jamaica pepper. This is the small brown berry native to Jamaica, a little larger than than a peppercorn and not actually a true pepper at all, better known today as allspice.

Its name derives from the fact that it is thought to have something in its aroma of cloves, cinnamon and nutmeg combined.

A cake like this will only taste as good as it should if allowed to mature for four or five days before baking and eating. So there is no time to lose. Make it today and serve it

on Twelfth Night for a lucky 1993.

Serve it for tea, sliced just as it is or spread with butter. Or, for a delicious pudding, top fingers of the cake with whipped cream or crème fraîche and serve them alongside a dish of Cox's Orange Pippins or Kidd's Orange Reds cut into crescent moon slices and fried in butter until gilded and sizzling hot.



YORKSHIRE PEPPER CAKE

Heat the oven to 225°F (170°C). Grease a 9 in (23 cm) round cake tin. Butter a deep 8 in (20 cm) cake tin and line the base with buttered greaseproof paper.

Stir together in a large bowl 6 oz plain flour, 2 oz rye flour (or wholemeal in the absence of rye flour), 1½ teaspoons bicarbonate of soda, 1 tablespoon ground ginger, 1½ teaspoons of ground cinnamon, 1 teaspoon ground Jamaican pepper (in other words allspice) and ¼ teaspoon freshly ground black pepper. Make a well in the centre.

Stir in the chopped ginger and sultanas or dates. Turn the mixture into the prepared tin and bake for about 70 minutes. Cool on a rack and wrap tightly as soon as cold in fresh greaseproof paper and foil. Store for four days before eating.

Sale of Fine & Rare Wines, Spirits, Vintage Port & Wine Art

WEDNESDAY 20th JANUARY 1993 at 10.30am & 2.30pm

Claret dominates this Sale with good quantities of contemporary vintages; Mouton Rothschild 1986 estimated at £160-520 per dozen, imperials of Palmer 1985 as well as Haut Brion 1961. Also, Vintage Port, such as Warre 1985, at £70-90 per case and Graham 1983 at £90-120 per case, plus classic 1970s and 1975. As a bonus there are original watercolours of top chateaux.

Next Sales: 17th February, 17th March & 21st April.

To order catalogues, £7 (inc. UK p&h), please telephone (0211) 841043 quoting reference number W10FF.

Enquiries: Serena Sutcliffe MW, Stephen Mould or Michael Egan, Sotheby's Wine Department, 5 Ailwin Wharf, Hester Road, London SW11 1AN. Telephone: (071) 924 3287.

SOTHEBY'S
FOUNDED 1744



TRAVEL

St Lucia: a violet in the Jalousie rainforest

Jalousie Plantation is the
smartest, newest, hideaway
Caribbean luxury resort.

Michael Thompson-Noel reports

SIX snapshots from St Lucia:
First snap, 9.30am: I am sitting on the veranda of my cottage at Jalousie Plantation, listening to the birds, listening for the rain, and watching the rainforest stir and resettle. There are butterflies flickering. It is early December.

Jalousie Plantation is the latest word in luxury hideaway Caribbean resorts, so I am flicking through the PR bums, comparing what it says with what I see around me. For once, the PR hooligans and haridians have met their match. They cannot be gainsayed. In the calm of this beautiful morning their superlatives seem gnat-sized in comparison with the scene laid before me.

According to the bums: "Situated on 320 acres of a former sugar and copra plantation, in its own private estate set against the waters of the Caribbean Sea, Jalousie Plantation is a site spectacular, even for the Caribbean."

"Framed between the symbols of St Lucia, the Petit Piton and Gros Piton mountains, which rise 2,619ft and 2,461ft respectively, the creators of this new resort have painstakingly disguised it to blend in

with Mother Nature."

That is all extremely true. To my left and right are Gros and Petit Piton - dramatic volcanic upthrustings, arrowhead-shaped. When it rains, the pitons shed instant cataracts, like a young bride's tears. Yesterday, a woman was injured while climbing the Petit Piton. She should not have been on it. Illegally, guides take tourists up for about \$20. The woman had to be rescued: soldiers, a helicopter, really quite a flap.

The sea is in front of me, lapping the beach at Jalousie Cove where some fishermen are located. This is an all-inclusive resort. One price covers everything: accommodation, meals, drinks, sports, spas, supervision of children, airport transfers, taxes and service charges. Apparently, I can ask one of these fishermen for the catch of the day and have it charcoal-grilled at the Bayside Bar and Grill, one of the resort's four restaurants, before my very eyes.

Behind me is a dense rainforest ridge from which the plantation and its tropical flora cascade to the cove. Part of the estate is regarded as a bird sanctuary, to help attract the green Jacquot parrot, St Lucia's national bird, which is said to be endangered, no



'Behind me is a dense rainforest ridge from which the plantation and its tropical flora cascade to the cove'

doubt due to foolishness. Jalousie's efforts at plant and bird-life conservation have won the approval of Dr Josephine Rickards, chairman of the St Lucia Naturalists' Society.

The rain has not come. I bin the PR bum. Shall I swim in my private plunge-pool or go in search of the elephant?

Second snap, 9.30pm. I am having dinner with Colin Tennant - Lord Glenconner - who is an investor in Jalousie, and Robert Stewart, general manager. Some of the antiques in Jalousie's Great House have come from Glenconner's homes in Mustique, Scotland and England. He lives in a house high above the cove, at the foot of Gros Piton. The house is

murder to get to though the view is sensational. Glenconner is a scrupulously courteous man, and inexhaustibly knowledgeable about the Windward Islands and their ways. He has lived in St Lucia since 1979.

Between courses, I tell him about my theory that travel writing should be judged not on what it includes but on what it leaves out.

"Such as?"

"Well, wedges of historical stuff chucked in as padding." "I see. Much of it is wrong, you know. Someone gets the history wrong and then it is repeated, handed on down. I feel sorry for tourists, you know. They don't see very much. All they see is an extremely small part of things - not how people live, how they really are."

"And inaccuracies abound. For example, all the guides and guidebooks say St Lucia has a 'drive-in volcano', but it is neither volcano nor drive-in. If you ask me, the volcano was out here" - he gestures towards Jalousie cove - "between the pitons. What the tourists are shown are merely sulphur springs associated with volcanic activity. I could be wrong, however."

"How about that parrot? Is it really endangered?"

"I don't believe it is. Someone I know sees one nearly every day."

"And how about your elephant?" Is she generally around?

"Ah, Bupa the elephant. She's in the bush right now, but certainly she's about. A very good elephant. She would answer my call from anywhere on the plantation." Bupa is a 16-year-old African elephant that Glenconner purchased in Dublin and shipped to St Lucia. "She's very kind at heart, and very fond of pigs. She doesn't sleep at night. Do you know what she does? She cracks open coconuts and puts them in a line for when the pigs wake up."

Third snap, 10am the next day. I am pottering round the volcanic springs, south of Soufriere: about an acre, grey and brown mudpools, a gentle hissing of steam. Really rather tedious. An eruption is not predicted. After that I drive into Soufriere, which is tatty and poor, but not without charm, and demonstrates the extreme vulnerability of many old Caribbean towns to storms and hurricanes. Some of Soufriere's shanties could be demolished with a cough. The people are nice, though: as slim as sticks of sugar cane, and not at all husky.

Fourth snap, 12.45pm. I am riding with Glenconner, head-

ing for his house along a track of unbelievable ruggedness. He chatters on cheerfully. "The mangoes here are very fine, you know. I believe there must be 20 to 30 species, though it is almost impossible to find any of them in the books. Do you see that one? That is *mango marte*. I tried it once. Its taste is said to be reminiscent of human flesh. Rather a fine

Sixth snap, 5.50pm. The sun, an orb of palest gold, is propped on the horizon, about to disappear. The sea is pewter coloured. An hour ago I scrambled through the bush in search of Bupa the elephant. An extremely kind elephant. A lover of bananas. Remarkably long eyelashes. No sign of her pigs. It has been a perfect day. I

horizon which he guesses is Martinique, a crewman approaches him and asks: "Checking de island? That Matnick?"

"Yeah, Martinique. Dey is French." The crewman rests his elbows alongside Shukman's. "I don't like Martinique," he says. "Why not?" asks Shukman.

\$375 per person per night per couple. Children under 12 are free if staying with parents. Children 12-15: add \$70 per night per child.

Jalousie is managed by Premier Resorts & Hotels of Miami, reservations (US and Canada): (800)-871-3643; all other countries: (305)-856-5405. In the UK, Premier's agent is Supereps, tel: 071-242-9964. The resort is also listed with various UK tour operators, including Caribbean Connection, Elite Vacations, Harlequin Holidays and Happiness Islands. Jalousie Plantation's address: PO Box 251, Soufriere, St Lucia, West Indies, tel: (809)-459-7666.

Jalousie is an hour by road or boat from Hewanorra airport, apart from BA, Hewanorra is served by Air Canada, American Airlines, BWIA and LIAT. There is a smaller airport, Vieira, at the other end of the island, near the capital, Castries. The temperature on St Lucia is said to vary only between 77°F-82°F year-round. Travels With My Trombone, by Henry Shukman: HarperCollins, £14.99.

'I am sitting in the best spot in the best location of what many people regard - scenerywise, peoplewise and otherwise - as the Caribbean's most attractive island'

tree."

Fifth snap, 4pm. I am back at Jalousie, sitting near the beach, pondering the state of marriage, of which I have no experience. Was it diffidence, I wonder, the curse of the English, that stopped me getting married, or am I one of Nature's swingers, born to be single? What is prompting these musings is the prospect of honeymooning flesh perked by the swimming pool: bronzed pecs and breasts basted and sautéing.

Perhaps, it occurs to me, a marriage inaugurated and consummated at Jalousie would not die with a whimper. I snatch up a description of Jalousie's rates and packages. The Jalousie wedding, it says, is something never to be forgotten.

It says that couples that get hitched at Jalousie will receive, at no extra charge, "upgraded accommodations (depending on availability), a wedding ceremony (with surcharge for the attendance of officials, the rate depending on denomination), bouquet, dress (an extravagant wedding gown, created in St Lucia, is available, free of charge), decorated wedding site, cake (three-tier), cocktail reception with hors d'oeuvres, gala dinner and a bottle of French champagne. Other services available for a surcharge include: professional photographer, video services and special dance band and any other service you desire."

The Jalousie honeymoon also sounds auspicious: "At the dawn of each day, the couple can request a special breakfast in the privacy of their own patio by the plunge-pool. A candle dinner for two on the night of their choice also awaits, as does a private day on a deserted beach with an exotic picnic lunch... Each night, as the sun sets into the Caribbean, a personalised Good Night Treat will be in the room." Again, there is no extra charge for the "honeymoon programme."

I wander up to the reception desk. I am more than half tempted to ask to view the indigenous wedding gown, to see if it would fit anyone I know. But my courage evaporates; diffidence reasserts itself. They would think me frivolous, my inquiry half-baked. I shrink away silently, a violet in the rainforest.

realise that I am sitting in the best spot in the best location of what many people regard - scenerywise, peoplewise and otherwise - as the Caribbean's most attractive island. I am reading *Travels With My Trombone: A Caribbean Journey*, by Englishman Henry Shukman, who tells of travelling by cement boat from Dominica to Trinidad. As they pass an ink stain above the

"De people is very stick to deysell."

"Which island do you like?" "Saint Lucy," replies the crewman. "Saint Lucy sweet, man."

Michael Thompson-Noel was a guest of Jalousie Plantation, and travelled c/o British Airways. Until April 11, rates at Jalousie vary from \$240-\$460 per person per night in a double suite or cottage; after that, \$215-

The best way to a man's stomach... ExerSkier.

"The World's Most Effective Aerobic Exerciser"

ExerSkier™ duplicates the motion of cross-country skiing, which experts agree is the most efficient and effective aerobic exercise. It burns more calories in less time than any other kind of exercise machine. Up to 1,100 calories per hour according to the fitness experts.

As well as burning calories, it strengthens the heart, tones muscles and improves stamina. And it is much less stressful on the body than running and high-impact sports.

And unlike most in-home exercisers, ExerSkier™ works all the major muscle groups of the body including the arms, legs, buttocks, shoulders and yes, even stomach.

So what are you waiting for?

30-day in-home trial!
2-year guarantee!

ExerSkier™
by NordicTrack
Total-Body-Fitness

NordicTrack (U.K.) Ltd. • Dept. FT1A3
113 Regent Street • Leamington Spa
Warwickshire • CV32 4NU
Tel: 0926 430090 • Fax: 0926 470811

Not a mail order solicitation, rather an application for a brochure.
©1993 NordicTrack (U.K.) Ltd., A CML Company
All rights reserved.

FREE Brochure and Video!
Call our FitnessLine

0800 616179 Ext. FT1A3

M-F 9AM to 5PM, Sat. 9AM to 1PM

Also a free videotape (VHS PAL)

Name: _____

Address: _____

Post Code: _____

Telephone: _____

FLIGHTS

CLUB CLASS

First Class, Economy.
Discount fares experts.

Richmond Travel
081-332-2288
ASTA 52151 - IATA.

DISCOUNT FARES

In 1st Class, Club
& Economy Class
Also Canada
For the best guaranteed deals
Please contact the experts
071-439-2944
Fax 071-734-2242
Fax Express Travel

WORLD WIDE SPECIALIST Club's, Class,
Concord Flights, for quotes call: Regal
Travel, IATA, 071-734-7373

CONCORDE

CONCORDE
TO BARBADOS

Join the exclusive club of
superb, travellers, stay
7 nights or more at some
of the island's finest hotels
and return First Class
FROM £2955 ONLY
Special Winter Value from
Elegant Resorts
0244 225671

CARIBBEAN

TROPICAL
ISLANDS

FRENCH CARIBBEAN
Central, Eastern and South
Indian Ocean
Hawaii, Tahiti, Easter Island,
New Zealand, and all the other
islands of the Pacific
0242 580187

ISLAND
HIDEAWAYS

Elegant Caribbean Villas
0242-667-0622 Fax 0242-667-3392 USA
A VILLA IN WEST INDIES? Continental
Villas and THE specialists. 071-437 0444 for
brochure, ASTA 50919

SKIING

SKI WEEKEND - Medium Skiing, Minimum
Time Of Week 2, 3 and 4 day weekends in the
French Alps. Tel: 0927 241638, ATOL 2775.

SPECIAL INTEREST

T WICKERS
WORLD

The natural world
Whalewatching
The Hebrides and The
Canary Islands

1 wk cruising Scottish Islands. 17
Apr to 15 Aug. £340 pp FB, cruise
only. 1 or 2 wks sailing in Tenerife,
all year. From £495 pp FB, cruise
only.
Various shore excursions included.
Contact us for details

22 Church Street
Twickenham TW1 3NW
081-892 8164
24 hour brochure service
081-892 7881
ASTA No 52540

FRANCE

BOATING IN FRANCE

Your widest choice of cruising holidays in France and Holland.
From 439 p.p. tax, ferry, for free brochure, quote £4056. Write
to Hosesons Abroad, Louisastr. NR32 3LT, or RING 0592 501 501.

HOSEASONS

DORDOGNE
A Special Place

From Cottage to Chateau we
have a superb selection of homes
for rental, many with pools.
Colour brochure.

SIMPLY PERIGORD

A VILLA IN FRANCE? Continental Villas are
THE specialists. 071-437 0444 for brochure.
ASTA 50919

GREECE

GREECE

Traditional houses and villas
in the lower-known Greek
Islands: Zakynthos, Lefkada,
Rhodes, Andros and Lavos.
Quality accommodation and
expert personal service.
Phone us for a brochure.
For the select traveller
DIRECT GREECE
071-371 9595

ITALY

CAREFREE ITALY

CASTLES • PARCHOUSES
VILLAS • APARTMENTS
IN TUSCANY
& UMBRIA
24 hours brochure hotline
0689 841900

AT GORLITZ, 1000
new independent houses open up
ASTA 51821

ANTIGUA
Winter Offer

Enjoy 7 heavenly
days in a tropical
paradise at

Blue Heron £499

Halcyn Cove £598

NO SURCHARGES

BWIA ex Heathrow
Dep Sat/Weds 20 Jan-3 Apr

See your travel agent or
CALL 081-748 5050

HAYES and
JARVIS

LONDON HOTELS

FREE
WEST END TICKETS

This superbly located hotel
overlooking Hyde Park offers
all the facilities of a fine
Central London Hotel.

PLUS FREE

TICKETS to the West End
show of your choice.

LONDON ALZABAR HOTEL
London, Hyde Park, 020 7594 1111
Fax 020 7594 1111

UK

A SECRET SHARED. Vase Lodge offers 12
luxurious cottages in 7 acres of grounds.
Grass tennis court, leisure centre with
hid indoor pool, sauna, solarium,
games room - all inclusive. Easy
access to Norfolk Coast. Short breaks
available up to mid-May. (022874) 261.

SPECIAL INTEREST

EGYPT &
KENYA

A week's cruise on the Nile plus
a week in Mombasa or on Safari -
the perfect combination -
14 nights
from £649

CALL 081-748 5050

HAYES and
JARVIS

ASTA 34187 (FRANCE) ATOL 1075

مكتبة القرآن

SPORT/SKIING

Year of the Olympic joke and Essex man

Peter Berlin reviews the cheats, the cynics and the sporting heroes of 1992

THE SPORTING year was dominated by Juan Antonio Samaranch's little joke. In 1992 he took the Olympics to his home town, Barcelona, in the high summer weeks known locally as the *carri-cula* - the dog days. These are the hottest and most humid time of the year. In 1992 they were hotter and more humid than normal, the worst weather for athletes, the vast bulk staying in the unairconditioned Olympic village. It was merely uncomfortable for everyone else.

Yet everybody left praising the event. This was largely because of the hosts' efforts. They missed no detail and spared no expense. But the crowning moment of Samaranch's Olympic presidency has left his home city, his home region and his home country with debts no-one can yet bring themselves to count.

The run up to the Olympics was dominated by unpleasantness away from the track about politics, drugs and money. Most worrying were the drug scandals involving sprinters Katrina Krabbe of Germany and Butch Reynolds of the US and attendant litigation.

Yet in Barcelona all these nasty odours evaporated. The biggest drugs bust of the Games, three Britons caught by testing at home before the games, was largely ignored by the world's press. The only way

to catch steroid users is with expensive and sophisticated out-of-competition testing. This is beyond the means of most developing nations and beyond the will of some of the richer ones, notably the US.

Without doubt medals at Barcelona were won by drug cheats. The choice lay between suspecting everyone and giving competitors the benefit of the doubt. Trust won the day.

The atmosphere at the games was improved by the hosts' astonished pleasure at their own success. Spain had won four gold medals in all the previous summer Olympics. In Barcelona it won 13. One of the most memorable was Fernán Cacho's charge through the field in the 1,500m gold accompanied by the swelling roar of the 70,000 Montjuich crowd.

The fans in Spain were not simply partisan. They roared every jump by US athletes Mike Powell and Carl Lewis in the long jump final. Lewis won by 3cm. Sergey Bubka's fall from the pole vault firmament was greeted with embarrassed murmuring as the spectators politely pretended they were watching something else.

Parakeve Patoulidou surged across the line in a tumble of bodies in the women's 100m hurdles final and then did a slow, delicious double-take as the replay showed that she had won. It was the first ever athletics gold by a Greek woman. Before 1992 white South Africans had claimed all three athletics medals won by African women. Now there were golds for Hassiba Boulmerka of Algeria in the 800m and Deratu Tulu of Ethiopia, who beat Elana Meyer of South Africa in an emotional 10,000m, and bronze for the Nigerians in the 100m relay.

Quincy Watts and Kevin Young of the US, floated round the track as if borne by angels as they broke records and won golds in the 400m and 400m hurdles respectively.

Some were memorable in defeat: Derek Redmond of Great Britain limping round the track on a torn hamstring, in the 400m heats. Brave 32-year-old Johnny Gray of the US, went for broke in his last Olympics only to be caught at the last by William Tami and Nixon Kiprotich at the end of an exhilarating 800m final. The warmth and generosity of his post-race press conference provided a welcome vital sign for the Olympic ideal.

Britain's two triumphs on the track were achieved in overpowering style. Lin-



Taking off with a roar: Lewis flew to Olympic gold

ford Christie ran away from the field in the men's 100m and Sally Gunnell did the same in the women's 400m hurdles.

Away from Montjuich, the games were dominated by the Dream Team, a group of US professional basketball stars who were there for all the wrong reasons, welcomed in the hope that some of the fame and wealth might rub off on their rivals. Maybe it will. The Dreams worked as hard at PR as they did on the court, won the gold at a stroll and allowed two of the games great stars, Earvin Magic Johnson and Larry Bird, to take final bows of their careers on the world's largest stage.

The British discovered cycling when Chris Boardman ripped to the 4,000m pursuit gold medal on his high-tech Lotus bicycle. The cycle was largely the work of Rudi Thomann, a French engineer, never mind, it still revived Britain's dimming faith in its technological wizardry.

Technological superiority lay behind Nigel Mansell's Formula 1 world championship. If Mansell had been with any other team his Williams car, which possesses far more charisma than him, would probably

have won anyway. Mansell felt unappreciated and plans to race in the US. Frank Williams, the team proprietor, sent him on his way with the words: "He thinks he is a superstar. In fact, he is just a lot richer and a bit quicker than he was four years ago when he joined us."

Mansell was one of a trio of dour, awkward, men who dominated British sport in 1992. The second rather let his mask slip. Nick Faldo burst into tears after winning his fifth major, the Open at Muirfield. "I'm just an emotional little petal," he said.

The spiritual leader of this threesome is Graham Gooch, patron saint of Essex men. Gooch led his county to the championship, again, took England to the World Cup final. Gooch resisted stubbornly against Pakistan's pace pair Waqar Younis and Wazim Akram in the tests. But England lost a thrilling series. Afterwards, Gooch dropped David Gower, hero of the last test and embodiment of the English sporting ideal of diffident public school boy, from the party to India. His place is taken by the archetypal pugnaucious state school lad: Mike Gatting.

Gooch knows when to grind and when to unfurl his undoubted flair. The same could not always be said of England's other two national teams - although both showed signs of a developing sense of adventure. England's rugby union team added a little flair to the physical grind on their way to another five nations championship and then dispatched South Africa on their return to Twickenham.

Meanwhile, Australia beat everyone in the southern hemisphere before popping over to Ireland and Wales for yet another triumphant tour, entertaining themselves with a little sniping at England. They were popular tourists with everyone except Will Carling, the England captain, and Neath rugby club, whose allegedly below-the-belt tactics led Wallaby coach Bob Dwyer to dub it "the bag-snatching capital of Wales."

England's increasingly neurotic soccer team trudged to the European championships where it was the dullest and dourst of a collection of dull and dour teams. The only sunshine came from Scotland, who had the courage to play expansive soccer but lacked the nerve to score goals.

The final was a fairy tale of sorts. The Danes late replacements for Yugoslavia, beat Germany, the world champions in a style more Brothers Grimm than Hans Christian Andersen. The Germans tried to win with organisation and work rate, which the Danes had by the bucket load, rather than imagination and flair. Fittingly, the crucial goal was scored by Danish midfielder John Jensen.

The grand old ladies of soccer, the English Football Association, fooled by blandishments from 23 soccer chairmen, dropped its petticoats. The unwelcome offspring was the new Premier League, child of greed. However, if Norwich City, Blackburn Rovers or Ipswich Town break the long rule of the wealthy big city teams and win the inaugural title, the whole sordid affair will have had one good result.

The only beacon of hope in the European soccer year has been the Italian league. AC Milan demonstrate that you can win playing stylishly and Paul Gascoigne, who raises the England team above the cynically mundane, is treated with more care than he could expect in his overworked home league. With any luck the Italians will buy the Welsh teenage prodigy Ryan Giggs before he is destroyed by too much overly-physical English



Essex man: Gooch made England in his image

soccer.

As the year ended the drug scandals re-emerged. In Reynolds' dispute with Primo Nebiolo, Nabob of the International Amateur (sic) Athletic Federation, an Ohio court awarded the runner \$27.3m. Nebiolo refused to contest the case, arguing that civil courts have no right to rule on its drug suspensions. He has a point. There are many nations in which the courts could not be relied on to find against national sporting heroes, regardless of the merits of the case. But the Ohio court did not object to the principle that the IAAF should ban athletes, it objected to the high-handed way Nebiolo had dealt with the case. If 1992 has demonstrated one thing it is that a spot of purse snatching concentrates administrators' minds. If the US court forces the IAAF's corporate sponsors to hand over the \$27.3m, the year's last laugh will be against Samaranch's most powerful courtier, the unappetising Nebiolo.



Delicate petals: Nick Faldo, Open champion again

THE 22-year-old American, Jim Courier, narrowly, and the remarkable 18-year-old Monica Seles outstandingly, were the best players of 1992. They head my annual rankings which have been unusually difficult to compile, particularly for the men.

A year ago Stefan Edberg was the best male performer and his tie-in with Courier for the No. 1 ranking on the ATP tour computer has been one of the features of the year. The computer, though, does not tell the whole story. Only a player's best 14 results are taken into account. Furthermore, there is too small a differential between the four Grand Slam Championships and the other events. Nor does it include the Olympic Games - a serious omission. Judgement must be brought to bear on the worth of each particular performance, depending on the stature of the tournament and strength of the field.

Courier's two Grand Slam successes in Australia and France were not matched by anyone else, and his dominance during the early part of the year - when he won three other titles - kept him ahead of Edberg. But the Swede had a fine year. He retained his US Open crown with an amazing performance of physical and mental resilience, was a finalist at the Australian Open and won two other titles.

Andre Agassi's dramatic victory at Wimbledon, his first Grand Slam success, was the season's outstanding performance. Taken with his wins in Atlanta and Toronto, plus his contribution to the winning Davis Cup effort by the US, put him

in third place.

It was difficult to separate Goran Ivanisevic, a left-handed Croatian who served 1,066 aces during the year, and the powerful American Pete Sampras, another 20-year-old. Ivanisevic was a finalist at Wimbledon. Sampras at the US Open - both reached the semi-finals at the two season-ending extravaganzas, the ATP Tour Championships and the Compaq Grand Slam Cup. Sampras reached the last four at Wimbledon but Ivanisevic did the same at the Olympics where Sampras only reached the third round.

Boris Becker won five tournaments and although he failed at the Olympic Games, his late-season

Tennis/John Barrett

Seles tightens grip on women's ranks

charge at the ATP Tour Championship in Frankfurt was of such quality that I place the 25-year-old German ahead of the Olympic champion Marc Rosset.

He crushed Ferreira; he annihilated Courier, supposedly the world's best clay court player, he beat Emilio Sanchez in his home town before ending the brave run of an exhausted Ivanisevic. In the final Rosset fought back to beat the local hero Jordi Arrese in five sets. Michael Chang won three early tournaments and, after failing to impress in three Grand Slams and the Olympics, produced some remarkable tennis to surge to the semi-finals of the US Open. There

he pushed Edberg to the limits in one of the year's best matches.

In the women's game it was Monica Seles first, the rest nowhere. She won 10 tournaments and in the year's great events was defeated only at Wimbledon. There it was as much the grunting issue as Steffi Graf's superb play that led to her defeat. It is hard to believe that this remarkably mature double-

hander is still 18. Graf, also the finalist in Paris, was a clear second. Her defeat in the Olympic final at the hands of Jennifer Capriati was a terrible blow to her confidence and may have contributed to a dismal end to the year. She fell to Sanchez-Vic-

rio in the quarters at the US Open and to Lori McNeil in the first round of the Virginia Slims.

Sanchez was a worthy third by virtue of her insatiable appetite for work (she played a record 167 matches in 1992) and her consistency. Arantxa won two tournaments and was the finalist at the US Open. She reached the last four at the Australian and French Opens. She beat Graf at the US Open. Her victory over Seles was at the minor Canadian Open.

The Olympic win by Jennifer Capriati over Graf, plus her defeat of Seles in the quarter-finals of the Lipton in March, lifted the 16-year-old to fourth. It was the manner of

those wins that was so impressive - a fearless search for the lines with raking drives, plus the odd excursion to the net behind some intelligent serving.

Gabriela Sabatini had a disappointing year with three semi-finals the sum of her Grand Prix efforts. The prospect of her building on her 1990 US Open win seems more and more unlikely as the pack of younger players closes in.

JOHN BARRETT'S WORLD RANKINGS FOR 1992

(last year in brackets)
MEN: 1 Courier (2), 2 Edberg (1), 3 Agassi (7), 4 Ivanisevic (1), 5 Sampras (3), 6 Becker (3), 7 Rosset (4), 8 Chang (4), 9 Petr Korda (4), 10 Ivan Lendl (6), 11 Wayne Ferreira (4).
WOMEN: 1 Seles (1), 2 Graf (2), 3 Vicario (5), 4 Capriati (7), 5 Sabatini (3), 6 Mary Joe Fernandez (8), 7 Manuela Maleeva-Fragniere (10), 8 Martina Navratilova (4), 9 Conchita Martinez (9), 10 Natalia Zvereva (4).

Skiing/Arnold Wilson

Hidden menace of summer meadows

JUST BEFORE the snows came in Switzerland's picturesque Grisons region, the farmers of Davos and Klosters brought their herds of cattle down from the Alpine pastures in a ceremony known locally as *die Schottergatter begraben* - "burying the mother-in-law". The mother-in-law, in this slightly uncomfortable analogy, is the symbol of the barren and empty alps.

The arrival of snow changes the whole personality of a ski resort. Most skiers rarely worry about what lies beneath the snow they are skiing on. But it is often useful for high-mountain guides to "walk" off-piste terrain during the summer or early autumn months to complement the understanding of snow conditions, depths and hidden hazards they may encounter with skiers during the winter. It is especially useful in glacier regions to gauge the extent and drift of crevasses.

Seeing a ski resort without snow can be a fascinating experience. The universally-famed Streiff run on Kitzbühel's Hahnenkamm looks almost idyllic without the layer of sheet-ice deliberately engineered to prevent racers breaking through and catching a potentially disastrous edge. Zermatt's steep

slopes are awash with colour as wild flowers delight the eye and scent the breeze.

Like a steep-sided meadow, the dreaded Gotschnaweg area in Klosters - where five years ago an avalanche killed Major Hugh Lindsay and came close to engulfing his friend, the Prince of Wales - looked extraordinarily bland and innocent as the late afternoon sun lingered lazily on its leafy banks. It is dangerous because it is prone to avalanche rather than because it is technically difficult.

We walked up and over the great Grisons alps between Davos and Arosa, a tour undertaken over a century ago by Sir Arthur Conan Doyle, the first Briton to accomplish this route on skis. His wife was being treated for tuberculosis at a clinic in Davos, a town that acquired a name as a centre where TB sufferers could convalesce.

In Conan Doyle's day, Davos was just beginning to earn its reputation as one of Europe's classic winter sports regions, a natural progression from its earlier fame as a health resort.

The walk is long and arduous but the scenery, wild flowers and plants are sufficiently stirring to compensate. Occasionally we glimpsed giant ski lift pylons in the distance



which seemed out of place without snow on the ground.

Conan Doyle made light of his epic tour in an article he wrote for *Strand Magazine* 100 years ago. "You adjust your body for a rapid slide", he

wrote, "but your 'ski' stick motionless and over you go upon your face. Or you stop for an instant to tell a group how well you are getting on and they suddenly find that their congratulations are

addressed to the soles of your 'ski' tied tightly round your neck!"

His ski tour de force was only one of many "firsts" at Europe's highest town (5,118ft) and Switzerland's largest ski

resort. The first English ski club was formed here in 1903 and the world's first tow bar was built by a young German engineer, Gerhard Mueller, with the help of some old motor cycle parts.

In 1931, the first funicular railway specifically for skiers was installed up to the Weissfluhjoch and three years later Erich Constantin installed the world's first "proper" drag lift. Some of Europe's first recreational skis were tried out here, too.

A pair found their way to Davos from Norway and the village carpenter set out to try to make duplicates.

Some of the local youths tried them out and struggled manfully to control them, in spite of their vast length and lack of edges.

Although it is famous principally for its Parsenn mountain (skiing up to 9,300 ft), the long run down to Kullis and beyond (14 km) and the exhilarating Derby run down to Kullis or Klosters, Davos has a wealth of skiing spread in almost all directions. There are five main ski areas - Parsenn, Jakobshorn, Eihornhorn, Schatzalp/Streppass and Pischas, with almost 90 runs between them totalling 320 kilometres of pistes.

The Madrisa side of Klosters provides gentler skiing and an opportunity to make moderately easy tours into Austria's Silvretta region.

The Parsenn/Weissfluh slopes provide the heart of the Davos skiing, linking with

Strela above Davos Platz and the Gotschna area above Klosters. There are long, picturesque and not particularly difficult runs fanning out in almost all directions.

Some of the north-facing runs down to Klosters are testing, particularly Drostobel. And, of course, there is always the Wang. If it is open, ski it. If it is closed, stay well away.

As for the tour to Arosa, it is doubtless easier, cheaper and safer in summer than winter. After all, climbing on skins is much more difficult than bounding up in decent walking boots.

■ Arnold Wilson travelled up and down the mountains between Davos and Arosa on skis in winter and on foot in summer as a guest of the Swiss Travel Service, Bridge House, Ware, Hertfordshire SG12 9DE. Telephone: 0920-463971.

MOTORS

SAAB IN WARWICKSHIRE The full range of new Saabs and probably the largest selection of superior used Saabs in the Midlands. Lima Garage Ltd, Royal Leamington Spa. Tel: 0929 423221.

PROPERTY

US development with a Scottish accent

Audrey Powell reports on a group of holiday properties near Florida's Vero Beach that is attracting the attention of British investors

AN ENCLAVE of 46 properties is being built above Vero Beach on the north east Florida coast - and the accents are more likely to be Scottish than American. For this is St Andrews Village, 12 acres of land between the coast and the inland waterway. The site was found by Len Sculthorpe who, with his son Brian, is a partner in Edinburgh-based St Andrews Properties, which is developing the village.

The Sculthorpe family plans to keep a corner for its own holiday home and build houses and apartments for sale on the rest of the land.

The first properties are just coming on the market and have been attracting the attention of Scots, although all buyers are welcome.

Both Sculthorpes are chartered accountants - the son has also become a qualified real estate agent in Florida.

Until now the company has been converting and renting holiday properties in three complexes of farm buildings in Scotland.

Drawing on this experience, it is developing its first overseas project and the first in which it will sell the holiday homes.

The family's group of companies in Scotland, which includes a travel agency and a selling and rental agency, is able to assist buyers.

The site, in Brevard county, is 90 minutes' drive from Orlando's international airport and has an attractive range of entertainment attractions, headed by Disney World.

Vero Beach does not have an obvious tourist image. It is a water-side district of expensive homes screened from broad grass-veged roads by banks of shrubs and palms.

Residents, in appropriate transport, cruise along the 55-mile limit roads or the waterways running parallel with the coast. You rarely see anyone walking.

There are boutiques, hypermarkets and the Windsor polo club. The development company claims a year-round season, with European visitors in summer and north American visitors avoiding the harsh weather in winter.

The village is to have a choice of property types.

There will be a row of garden homes - pairs of single storey three-bedroom, two-bathroom houses, with multi-level roofs. They are designed so that each pair looks



One of the semi-detached homes in St Andrews Village, Florida

like a single detached house. Front doors are on different sides, so that no property overlooks the other's entrance.

With construction going ahead, they are now being offered on the market. They have large living rooms with vaulted ceilings, sizeable kitchens behind breakfast bars. Florida's favourite room, the

gazebo-walled lanai, that keeps off insects and the strongest of the sun's rays, forms an extension of

living areas. There are integral garages.

Later, across the winding road running through the estate, there will be two-storey detached family houses.

But before that the Carriage homes will be available.

These are also an ingenious design by the Evans Group, an architectural practice whose ability to create interest through variations in ceiling heights and

roof shapes has become a trademark.

These properties are two, two-storey pitched-roof blocks, each with eight apartments.

They have two or three bedrooms and two bathrooms, living room and lanai. Each has its own separate entrance and garage within the block.

Each apartment looks on to the Indian river waterway, getting the full benefit of sunsets.

In keeping with today's environment consciousness, the company uses aluminium studs in the construction, which it says saves timber.

Some of the area available for development includes land used as a breeding ground by sea turtles. That part of the cabbage-palm and scrub-oak covered land is being left untouched.

The estate will have a lake, communal swimming pool, boat dock and fishing pier. An adjoining larger development has a tennis club that St Andrews residents can join.

There are golf courses within easy reach. The estate will be gated and have on-site management.

St Andrews Properties will handle renting for owners if this is required. Property prices range from about £75,000 to £100,000, depending on the exchange rate.

Related expenses will average about

£300 a month.

Foreigners cannot normally spend more than six months of a year in the US.

The company suggests that this rule, where it applies to the retired, may be eased in four or five years, but other people are not quite as optimistic.

Assuming a buyer took a 70 per cent mortgage, which should be possible, and allowing for costs including a furniture package, total funds required initially could be from £32,000, according to the company's estimates.

It suggests other financing options, including shared or company ownership.

St Andrews Properties is prepared to market rentals through its connections in Florida, Canada and estimates owners could break-even on finance and property costs from about 50 per cent rental occupancy.

Further information from St Andrews Village, Florida, tel 407 952 5298, or in the UK from St Andrews Properties, Edinburgh, 031-552-0666.

A large choice of developments are offered as holiday home-cum-investment deals in Florida and there is a lot you should know before you buy. Some areas have restrictions on short-term letting - although not Brevard county - and the competition is intense.

Lindsay Cameron, director of the trade and investment division of Florida Department of Commerce, in London, says Florida is not quite as aggressive as California in that respect.

But people who take a Florida holiday and decide they want to buy and let, should not rush into anything.

Certainly they should not plan to build themselves, without information about the zoning and planning laws.

These aspects are becoming a lot tougher, says Cameron. It could prove very costly and time-consuming putting right a wrong choice.

Too many people in holiday mood do not do the sort of checking they would if buying a property at home. Talk to knowledgeable people in the district, before you make a decision, advises Cameron.

There are local chambers of commerce in all areas. They will recommend a responsible broker, or property lawyer, to guide you.

INTERNATIONAL PROPERTY



You only live once.
Shouldn't you have a once-in-a-lifetime address?



PRESIDENTIAL PLACE

Adjacent to the Boca Beach Club at 800 South Ocean Boulevard

From over 4,700 to approximately 10,000 square-foot residences priced in excess of one million dollars. A guaranteed Premier Club membership in the Boca Raton Resort and Club, an exclusive arrangement for Presidential Place owners. For information, please contact O. W. Woodard, 407-750-7331.

Construction Funding by TTT

Not an offering in New York or New Jersey or where prior registration is required.

CAP FERRAT

St Jean Cap Ferrat

Prestige estate. 7 beds villa, guest house lodge, parks, pool on peninsula overlooking Monte Carlo and Italian Coast. Reduced to French francs 45m. Exchange possible with UK property/business or USA property.

Tel: 0664 840664 Fax: 0664 840304

Boca Raton, Florida

PREMIERE

OCEANFRONT RESALES,

designer furn, 2165+ sq.ft.

balcony, exercise spa, 24 hour security, privacy, all best amenities, concierge. Golf, yacht and tennis available. From US \$600,000.

Aqua Properties, Inc.

Resident Realtor

Fax 407 393 6376

Register #C30272640

FRANCH PROPERTY NEWS. Free Monthly

Old, new and old prop., legal column etc.

Ask for your free copy now 081-942 0301.

PARIS RENAISSANCE. Short term with service

studios and flats. Furnished rentals. In

Central Paris. 1 Week to 2 Years. Tel:

(331) 47538081. Fax: (331) 47537299

FLORIDA PROPERTIES

Miami: 2 B/R Condos. 5 Mts from

Beach. \$85,000. Year round rental

income.

Orlando: 3 B/R House. Near Disney

World. 30 Mts from Beaches. \$125,000

only.

New wooded home in nice area. Rental

Management Services Available.

Call Resale Ltd. Tel: (407) 338-1770

Fax: (407) 338-1996.

COSTA DEL SOL PROPERTIES. Marbella

offices. For information and price list

ring 081 903 3761 anytime. We have

a wide selection of luxury resale villas.

+ SWISS ALPS +

SKI AND SUMMER RESORTS

DE LARA & PARTNERS

Specialists in fresh holiday properties in

SWITZERLAND

Offer an exceptional portfolio of

apartments & chalets in the best locations

15 Hartwood Road - London W12 9HE

Tel: 081 749 2188 Fax: 081 749 6339

SWITZERLAND. The specialists. Chalets

apartments and penthouses. Osborne Gardens

50 Parkway London NW11 7PP 071-466 9911.

PARIS - PARG MONCEAU Studio

(25m2) on 6th floor - spacious and

quiet - immaculate condition - fully

equipped kitchen - entry code -

concierge - stone building newly

renovated. Tel: +33 1 47 38 11 81.

COUNTRY

PROPERTY

SCALING NEW HEIGHTS

Steps and stairways can become a problem

with age or disability. At English

Country, we will carry you and your

shopping to your front door. We make sure

that every part of the garden can be reached

by level or gently sloping paths. So a garden

can't become a major expedition. Instead,

in the peace and beauty of our

gardens, it's a pleasure.

Properties now available at Elysée Manor

Court, our latest retirement development

near Salisbury. Prices from £160,000. To

find out more about these and other

properties throughout England, ring us for a

brochure.

The English Country Association

8 Holborn Street, London WC1A 1LT

FREEPHONE 0800 328888

SOUTH OF FRANCE. VAR

English Property Searches offer

vineyards, old stone houses,

ruins to restore, villas. Wide

selection with advice and help.

Tel: +33 94 04 42 37

Fax: +33 94 04 40 75.

INTERNATIONAL

RENTALS

7, PLAZA DE ESPAÑA

APARTMENTS

In the heart of Madrid.

High class studios to let.

Daily, weekly, monthly

rates. Fully equipped.

Direct reservations

Tel 34 1 542 85 85

Fax 34 1 548 43 80

PLAZA BASILICA

APARTMENTS

27, Comandante Zorita,

Madrid. Located in the

Financial and Business area.

A warm and individual style.

Daily, weekly, monthly rates.

Reservations

Tel 34 1 535 36 42

Fax 34 1 535 14 97

LOS JERONIMOS

APARTMENTS

Moreto, 9. Madrid. Between

Prado Museum and Retiro

Park. Finest example of

traditional furniture. Daily,

weekly, monthly rates.

Reservations

Tel 34 1 420 02 11

Fax 34 1 429 44 58

SHOOTS AND

FISHINGS

TWEED FISHING

To Rent:

Well known middle Tweed Boat, 34 mts,

both banks, 2 bedrooms. Fishing for 3 rods

(2 to bank, 1 wading). 1 week available

only February - £250 inclusive. 1 week

available March £100 inclusive. Waterlily

Cannibal Grove, London, SE5 6JH

LONDON RENTALS

LITTLE VENICE WP - Superior 1 bedroom

apartment with double aspect views of

canal. Large double reception room, double

bedroom, custom fitted kitchen, luxury

bathroom, ample storage. Furnished. Rent

£250 per week. Telephone 081 810 4711

Simon Gold

LONDON PROPERTY

WIMBLEDON, LONDON SW19

An Outstanding and Individual New Family Residence of exceptional quality

and appointment in a secure setting adjacent to Wimbledon Common.

Impressive Entrance Hall, Cloakroom, 3 Large Reception Rooms plus

Conservatory, Breakfast Room, Fitted Kitchen, Utility, Master Suite of

Bedroom, Dressing Room and Bathroom, 5 other Bedrooms and 3 Bathrooms.

Games Room, Garaging, Gated Courtyard, Landscaped Gardens.

FREEHOLD £760,000 Part Exchange Possible

For further details contact Amber Estates

Tel. No: 0893 264464 (24 hr. ans)

LONDON RENTALS

ANDRE LANAUVE & Co

CADOGAN GDN SW3 - elegant UNFURNISHED ground floor flat with 4

bedrooms 4 bathrooms and 2 spacious reception rooms. Large

kitchen/breakfast room and resident caretaker. The flat has been decorated to

the highest standard and superb carpets and wall scones enhance this

property. Available for a long let £1200. per week.

BELGRAVIA OFFICE: Tel: 071 259 5233 Fax: 071 235 2342

SURREY SURREY - A selection of newly

refurbished 1 bedroom apartments in a

handsome period conversion minutes

walking distance from shops and station. All

apartments have new luxury kitchens with

full range of appliances and bathrooms and

are available to let immediately unfurnished,

or furnished. Rent £115 per week. Enquiries

Systems. Rent £115 per week. Enquiries

081 810 4711 Simon Gold

EATON SQUARE SW1 - A rare opportunity to

rent a comfortable duplex apartment

affording superb aspect over Eaton Square

21' Drawing room, Dining Room, Fully fitted

kitchen breakfast room, 3 large bedrooms, 2

bathrooms, Lift, porter, views to tennis

courts. Rent on application. Telephone 081

810 4711 Simon Gold

PATNEY SW15 - Luxury 2 double bedroom

executive apartment in prestige block. Large

double reception room, 2 bedrooms, fully

fitted kitchen, ample storage space,

residents parking, en-suite, lift. Rent

£195 per week. Telephone 081 810 4711

Simon Gold

BELGIZE PARK NW3 - A spacious 2

bedroom mansion flat on the 3rd floor of

prestige block. Very large reception room,

21' master bedroom, residents parking,

central heating. Rent £250 per week.

Telephone 081 810 4711 Simon Gold

MAYFAIR PENTHOUSE - Outstanding 2

double bedroom penthouse apartment in

purpose built block in the heart of W1. Large

breakfast room, 2 bedrooms, Study/meal

room, lift, en-suite, luxury furnishings.

Rent £345 per week. Telephone 081 810

4711 Simon Gold

HAMPSTE

BOOKS

When Puccini threw away his zucchini

Anthony Curtis gives his verdict on the Christmas literary competitions

CLERIHEW-composing can easily become an addictive occupation, as many competitors confessed. "Once one has started," said Christopher Mylne, "it is difficult to stop thinking up silly rhymes to fit though I admit to being defeated by Tchaikovsky."

The task, you will recall, was to make up new clerihews about composers and musicians. Mr C. Thwaites reminded me of "an oldie but goodie" - Jules Massenet! Never wrote [A Mass] in A. And Mary Holthby remembered from childhood another vintage item - Palestrina! Wrote a concerto for the concertina! Which Monteverdi! Orchestrated for the hurdy-gurdy.

No one thought of including any of my music critic friends on the lines of this one, c.1930: "West week", said Ernest Newman, "It will be Schumann"! But when next week came it was Wagner just the same.

I had to stop counting the number of times composers such as Henry Wood or André Previn or George Soli (another difficult rhyme) sat on the baton; or the occasions when Maria Callas sang in Dallas; or when some poor composer could not hold a candle to Handel. Pavarotti was frequently grossed, and quite often doted, and there were unkind observations as to the size of his body. Nigel Kennedy was more often than not discovered playing a threnody with the aggressive termination from Freda Smithson of an over-ripe tomato interrupting his pizzicato.

Johann Sebastian Bach always got up with the lark (Dian Shervinton), or if not, he sat in the dark (W. Roll) but that - as more than one entry pointed out - did not curtail his creative prowess. In contrast, Mahler sat in the parlour (E. Gifford) whereas Bizet sat on a bidet (Garbis Haddad). Scriabin made an awful din (Graham Green). Souza was a bit of a boozier (Andrew Stark) and Liszt was frequently hissed (B. Miller) and often, of course, kissed, and on at least one occasion pissed (Ranald Boyle).

No cookie was shrewder, rhymed Eve Turner neatly, than Buztehrde. Sir Arnold Bax. Had no FAX (Brian Capon) (they had not been invented); Plácido Domingo, was said by Henry Moxon, to be always lucky at bingo, but, added Anthony Brown, of that game Kiri is weary. Hugo Wolf played golf (Peter J. Andrews). Humperdinck had run to drink (Robin Fuller) and Schumann was only human (Bernard McGinley).

Over fondness for pasta seemed to be the main affliction of Italian musicians. Donizetti was addicted to spaghetti (O.V.S. Heath). Boccherini to fettuccini and tortellini (James Robertson) and Stefan Grapelli to tagliatelli (Steven Berry). Puccini, however, suffered from baby marrows and threw away his zucchini (Simon Hubbard-Ford).

Duke Ellington's penchant was somewhat implausibly for wellingtons (Catherine Presswood), but Shirley Bossey had, more realistically, an eloquent chassis (Sylvia Trump) and one that is classy (Eric Pearce).

Several people had James Cahoon either leaving or not leaving his flute in the hallway. D. Rhys-Williams envisaged Neil Kinnock in a dispute over Early Music with Trevor Pinnock. And Isobel Baillie Raised high notes gaily (W.L.D. Scott).

It was Peter Read who, when he switched on the Beeb, ingeniously listened to the strains of Delibes. George Formby, we are assured by John Adams, once passed through the village of Quarmby.

No one found a convincing rhyme for Rameau. Nor for Rameau, who was gleefully celebrated by William and Jo Godfree (though this year is not, as they seemed to think, the 300th anniversary of his birth in 1683).

Brahms appeared to be a favourite with the Theme of Glamis and also to have qualms! When Joachim offered to have a go at him (Sir Toby Weaver).

Monica G. Ribon voiced a universal dilemma when she asked *Does Turandot? Rhyme with "forgot"? Or is it Turandot? As in "I don't know"? Chopin was hooted (touch) to play with one hand on George Sand (Katie Mallett) and Tristan told Isolda: "You don't look a day older" (David Hussey). Both Eve Turner and Prudence Raper had musicians taking Valium before embarking on Spem in Aham.*

The problem in many cases was the second couplet. So often a brilliant beginning had crashed into bathos by line four. It is much more difficult to compose a memorable clerihew than to look. Perhaps the trick is not to try too hard for your punch-line but just let it come naturally of its own accord. Anyway, £30 each to all those whose clerihews are printed below. These are the joint winners.

CLERIHEWS CON BRIO

Pergolesi
Doesn't send me crazy
But he's a better composer
Than Cimarosa.
(Ambrose Streetfield)

Barriet with icy look
Yold Berlioz to sling his hook.
He then composed the *Symphonie Fantastique*



Dorian Gray by Michael Ayton

In utter pique.

Benjamin Britten
Liked to have his ears bitten
By Peter Pears.
Poor old dears.
(B.I. Stratton-Ferrier)

The future of jazz got darker
With Charlie Parker.
It finally sunk
With Thelonius Monk.
(Philip Skelsey)

Beniamono Gigli
If he were feeling cigli
Sometimes went a bit wobble
When singing *La donna e mobile*.
(Mrs Jean Platt)

Elton John
Goes on and on
He's not so funny,
But oh! the money.
(Donald Lloyd)

Maria Callas
First signed for Crystal Palace
But they let her go
To Milano.
(Ken Turner)

Peter Cornelius
Was only a three quarters genius,
But his *Barber of Bagdad*
Wasn't half bad.
(Garfield Black)

de Silva, Brown and Henderson
With only their suspenders on
Danced in the street for joy
At writing *Sonny Boy*.
(Peter Marks)

Julian Bream
Dreamed a dream...
Lute stolen in Cuba
Replaced by a tuba.
(Alastair Norton)

FOR our second competition you were asked to send an extract from the obituary of any fictional character. The deadpan style of the obituarist - often skating on some pretty thin ice - is not difficult to mimic. Many of

the many attempts managed it all too convincingly.

Subjects for burial began with legendary and biblical figures such as the Devil, Methusalem "... born into one of the oldest families on record ... was just at the peak of his career" - Marius Szaifanski) Achilles, Jonah, Grendel's Mother, the Ancient Mariner "... although suffering from a withered arm, his eyes never lost their glittering power" - J.E. Smith).

King Arthur, Ulysses, Don Quixote, Brunhilde ("Following her husband's tragic death in a mugging incident, her name was romantically linked to that of Gander the Ghibling" - Anthony Lyman-Dixon), Gandalf, The Pied Piper ("In an inspired career move, he became a pest control officer for the Wessex valley" - Mrs H.C. Lee), The Wife of

Julian Bream
*Dreamed a dream...
Lute stolen in Cuba
Replaced by a tuba.*

Bath ("It is heartening to think that our sister's long battle with the Orthodontists is now over" - J. McCormick), were popular obituaries.

There were contemporary candidates as Adrian Mole ("Although only in his 14th year, Mole's perceptive analyses of family life and the strains implicit in modern marriage, minutely chronicled as part of his daily observations, will be immensely valued by future researchers" - D.A. Prince), Horace Rumpole and Lord Dixon of Bushy Park ("Popularly known as 'Lucky Jim' he made a significant contribution to the dissemination of higher education" - Peter Knight).

Characters from crime fiction were also popular candidates with Sherlock Holmes, hotly pursued by gravewards by Moriarty, Miss Marple, Poirot, Peter Wimsey, and several James Bonds. Shakespeare was a prime source. Lady Macbeth "was a legendary hostess. Dinner parties at Forres, begun

with a sonorous knocking on the South Chamber door, were eagerly attended by luminaries from every shade of the political spectrum" (Guy Thomas).

Evelyn I. Stark told us that: "Financial circles were shocked to learn yesterday of the murder of Polonius in what appears to have been a case of mistaken identity. His 'Neither a borrower nor a lender be' speech, known as the 'Elisnore Document' ... has recently been adopted by many treasury officials and advocates tight control of the money supply."

S.L. Valdez chronicled the last days of King Lear. "After fierce arguments with his daughters, the king declared himself homeless and applied to Berkshire County Council for assistance on the grounds of former residence in Windsor. When this was turned down, the king joined fellow subjects in Windsor Great Park's 'cardboard city' during the worst of the winter storms and later collapsed."

Dickens also inspired some brave efforts - Oliver Twist, for example: "From the earliest he scandalised devoted carers by his excessive gluttony; then in his first employment, not only bullied his fellow workers, but left without heading statutory notice requirements" - Ken Turner.

There were several shots at Heathcliff with a noble attempt at his family tree from John Roselli. Then we had Bloom; Stephen Dedalus - "... blown up and killed by a terrorist bomb which he was about to plant in the lobby of the Gresham Hotel in Dublin" - Shedd Alexander; Goldfinger, Anna Karenina; Mr Collins "... distinguished by his opposition to women's ordination" - Mrs Patricia C. Atkinson; both Dr and Mrs Proudie; Albertine in one massive Proustian sentence (Alan Leslie) and many Bertie Woosters and Billy Bunters (see the example below).

Even more persistent were figures from nursery rhyme and children's literature with the death of Cock Robin way ahead at the top followed by Snow White, Peter Pan, Peter Rabbit, B.B. Wolf, Miss Piggy, Noddy, Humpty Dumpty - "he was a good egg" (passim).

In fact, there was such a wealth of talent that the task of choosing the eventual winners was even more fraught than usual. However here goes - £30 each to those whose entries are printed below. They are joint-winners, and thanks to everyone for a splendid record-breaking entry.

RIP

SHYLOCK
Shylock was perhaps the most innovative financier of his time, and his influence put Venetian capital markets on a more regulated footing. In an era of speculative excess, when venture capital was frequently provided on an "old boy" basis, Shylock, a relative outsider, introduced loan financing by way of the fixed-interest bond. His creative flair, however, was soon to most effect in his novel penalty clauses, which gave the bondholder an exceptionally strong incentive to redeem the bond at the due date. These instruments became known as "junk bonds".

His career ended controversially, in the so-called "Balthazar Affair" (named after the famous disappearing barrister), when Shylock's commercial logic proved stronger meat than the business community of the day could stomach. There are many, however, who believe that his trial verdict was unsafe.

(Noel Petty)

CAPULET/MONTAGUE
The dangers of drug abuse have been highlighted this week by the tragic deaths of teenagers Juliet Capulet and Romeo Montague. Fourteen-year-old Juliet had apparently undergone a form of marriage to Montague against her father's wishes and she went into a coma as a result of a strong barbiturate, taken deliberately to feign death. Young Montague was unaware of her action and took an overdose. Upon waking from the coma Juliet took her own life. The role of the church in this sorry affair is somewhat dubious as it seems the drugs were supplied by churchmen. The Vatican has promised a full inquiry.

(Mrs A.D. Woodhouse)

MR DORIAN GRAY
The death has been reported of Mr Dorian Gray of Mayfair, the well-known bon vivant and patron of the arts. He was discovered by servants at home, apparently having suffered fatal injuries whilst attempting to repair a previously unknown portrait of a young man, possibly a relative. Although Mr Gray was well known in his role of aficionado of the theatre, opera and the art world, little was known about his background. Even his age was closely guarded secret.

(C.E. Hurst)

SIR WILLIAM BUNTER, KBE, MP
The death of the former Chancellor, Sir William Bunter, has shocked everyone, especially a surprising number who enjoyed a friendship going back to Oxford and even Greyfriars.

Throughout his comparatively short life he remained impressively optimistic, whether on an expected postal order or the green shoots of economic recovery.

Sir William's career was not without controversy, both trivial, involving tuck-shops and off-licenses, and of more moment concerning the acquisition of public funds for private use, for example, when his probity was questioned, but always he contrived to extricate himself from a situation that might well, to a lesser mortal, have spelt disgrace.

(R.G. Snoxell)

CHRISTIAN
Our neighbour Christian will come no more amongst us. Owing to a burden on his back, he had some trenzy-disposition which drove him to seek a Kingdom where he would have a Crown of Glory and be clothed with Immortality.

We saw him *fall* into a slough, but he dragged himself out and passed through a wicket-gate. There were lions in the path, a foul fiend, Apollyon, a Fair wherein were many vain persons, and he in danger of execution, Death's shadowy Vale and Giant Despair's Doubting Castle...

After so vile a journey he crossed a deep river and thence came to a city filled with Trumpets and Harps and Streets of Gold. But he that hath told us of the Pilgrimage hath lately confessed "Twas but a dream". Christian is surely lying beneath those waters whither we have no stomach to follow him.

(K.P. Hopkinson)

MR S. GRUNDY
The premature death of Solomon Grundy was widely mourned by his many relatives and friends. His rapid and brilliant maturation was due to diet - a lesson to us all.

He was born on Monday, christened on Tuesday and remained a life-long Anglican. At an unusually early age, he was married on Wednesday. This was an enduringly happy union, despite adverse comment from some sections of the press.

An obscure disease overtook him on Thursday. His condition worsened on Friday. Every effort was made to save him, but he died on Saturday. Full of honours, he was buried on Sunday.

He is survived by his childless widow.
Beatification is in progress.
(A.G. Cheston)

Art for rich and poorer

THIS WINTER has seen the launch of two new series of decorative arts books, impressive in quite different ways. A massive 30-volume survey of the arts of Islam opens with three opulent volumes on Qur'ans, *The Abbasid Tradition*, *The Master Scribes* and *After Timur*, intelligently produced and sumptuously illustrated (Azmuth Editions in association with Oxford University Press, £135 each). This exceptionally ambitious, and heavily subsidised, series catalogues the entire 20,000-piece collection of Dr Nasser D. Khalili - at a cost of £5m.

At the other end of the financial scale is Walker Books' delightful new *Decorative Arts Library*. Bevis Hillier offers an entertaining romp through *Early English Porcelain*, unable to resist including the tale of the Blake family who ordered a dinner service from China decorated with their coat of arms. When the porcelain arrived they discovered that on every piece their family motto, Think and Thank, had been painstakingly rendered Stink and Stank.

Laurence Whistler contributes *Point Engraving on Glass*, Emma Tennant *Rag Rugs of England and America*, and Alan Powers *Modern Block Printed Textiles*. These attractive small books cost £9.99 each.

Anna Maria Massinelli and Filipp Tuona have achieved on paper what would be seventh heaven in an exhibition. *Treasures of the Medici* (Thames & Hudson, £24.95) re-unites the fabulous jewels and *objets d'art* amassed over 300 years by 10 generations of Medici bankers who were the unofficial royal family of Florence. For Lorenzo the Magnificent, the 5th century of whose death this superbly illustrated book commemorates, his antique cameos and sardonyxes were of incomparable greater value than any painting by Fra Angelico or Botticelli.

Monique Riccardi-Cubitt's compendious *The Art of the Cabinet* (Thames & Hudson, £36) offers a history of the cupboard or cabinet in which such precious curios were housed. Furniture plays an important role in Alexander von Vageler's illuminating *Czech Cubism* (Laurence King Publishing, £40). This fascinating journey into hitherto uncharted waters reveals how a group of avant-garde architects in Prague translated the art of Braque and Picasso into a new - almost angrily animate - formal language of architecture and the applied arts, characterised by sharp angles, cut-off corners and boldly sloping planes.

Five books on the 19th century focus on the forgotten and the familiar. Poul Vad presents a welcome biography, the first in English, of one of the most remarkable and individual painters of the 19th century, *Alfred Hammershoi and Danish Art at the Turn of the Century* (Yale University Press, £45) is a sensitive and scrupulously researched book, illustrated by a lamentable translation. The author has uncovered a great deal about the life of this most private of painters but perhaps devotes too much space to lengthy analyses of individual works.

Janis A. Tomlinson's *Goya in the Twilight of Enlightenment* (Yale £29.95) is a complex and sophisticated book that attempts to cut through the Goya myths and to examine afresh a great painter's achievement against the historical background that so profoundly affected it. Far more

Susan Moore
reviews a highly varied crop of books on art

straightforward is the handsome *Degas Pastels* by Jean Sutherland Boggs and Anne Maheux (Thames & Hudson, £45).

Degas also takes a bow in *Beyond Impressionism - the Naturalist Impulse in European Art 1860-1905* by Gabriel P. Wessberg (Thames & Hudson, £28) but he plays only a bit part in this truly international resurrection of dead reputations. This is a glimpse through the looking-glass into a world where Bastien-Lepage - not Manet, Monet or Cézanne - is king. A long overdue alternative history of 19th century European art.

Charlotte Gere's *Nineteenth Century Interiors: An Album of Watercolours* (Thames & Hudson, £28) is a record of what must have been a delightful show at the Frick Collection, presenting over 80 faithful views of European interiors, from the grandest to the most humble.

Now that *annus horribilis* has drawn to a close, the present owner may well console herself by curling up with Christopher Lloyd's *The Royal Collection* (Sinclair-Stevenson, £25), a fuller-bodied version of what has proved to be an admirably lucid and un gimmicky television series.

Children's books/Michael Glover

Pick of 1992

HERE is the complete list of FT Children's Books of the Month for 1992.

January - *The Future Telling Lady* by James Berry (Hamish Hamilton, £3.99). A delightful collection of stories set in Jamaica by a distinguished Caribbean poet.

February - *Swan Sister* by Annie Dalton (Methuen, £3.99). A fantasy about a child's abduction by swans set on the Suffolk coast.

March - *Charlotte Sometimes* by Penelope Farmer (The Bodley Head, £3). A school story in which Charlotte, a new girl at her boarding school, is projected back to time and finds an unexpected soul-mate.

April - *I Saw Esau* edited by Iona and Peter Opie (Walker Books, £3.99). A collection of school rhymes, some dating back many centuries, illustrated with gusto by Sendak.

May - *Burning Issy* by Melvin Burgess (Andersen Press, £3.99). A collection of stories of a local community in 17th-century Lancashire.

June - *A Bone from a Dry Sea* by Peter Dickinson, (Gollancz, £10). An intellectually challenging mingling of past and present: an archaeological dig in present-day Africa; the dawning of consciousness of a tribe of humanoids...

July - *So Far From Skye* by Judith O'Neill (Hamish Hamilton, £3.99). A historical novel, set in the 19th century, that describes the forced emigration of Gaelic-speaking families from Scotland to Australia.

August - *The Magnificent Callisto* by Gerard Benson, (Blackie, £3.99). An excellent first collection of children's verse: urban poems; puns; animal verse; Lear-like nonsense.

September - *The Invaders* by John Rowe Townsend, (Oxford, £3.99). A small, isolated island community is under threat from terrors of the present.

October - *The Great Elephant Chase* by Gillian Cross (Oxford, £3.99). A hectic journey across America with a circus elephant.

November - *J.M. Barrie's Peter Pan* presented by Eleanor Graham and Edward Ardizzone (Hodder and Stoughton, £12.99). Peter Pan re-told in novel form for children of six and above.

December - *The Arabian Nights* by Brian Alderson, illustrated by Michael Foreman (Gollancz, £14.99). Timeless tales of magic and wizardry in a freshly accessible form.

Hungarian feast

THE translated English (by Imre Goldstein) of George Konrad's *A Feast in the Garden* (Faber and Faber £14.99, 355 pages) is rich and lively. This work is copious in every way, a *magnum opus* by one of Hungary's leading authors here, as he puts it on his second page, "sentenced to examine myself. To dissect myself in the morgue of my own conscience." The analysis is complex and difficult, full of vigorous reflections on fiction

and morality, and takes the form of a kind of phantasmagoric symposium in which the author and the central figures of his world gather at a feast in his Budapest garden re-live, each in his or her own person, their lives as affected by the Nazi occupation of Hungary. Much of it is harrowing, yet the overall mood is life-affirming, and Konrad is able to luxuriate in his book's ingenious and prismatic structure.

Paul Driver

TELEVISION
SATURDAY

BBC1

7.30 Champion the Wonder Horse. 7.25 News. 7.30 Christopher Crocodile. 7.35 Animal World. 7.40 Clive's Draw. 7.50 Ltr. 8.15 The 1000. 8.35 Peter Pan and the Pirates. 8.50 Gosh Live! 10.45 Film: Lassie. The Road

BBC2

12.00 Cartoon Double Bill. 12.15 Weather. 12.15 Standstill. Introduced by Steve Rider. Including 12.20 Football: Bob Wilson and Gary Lineker preview the FA Cup third round. 1.00 News. 1.10 Challow Hurdle. 1.20 Cross-Country: The Durham international. Successful runners including Steve Gray and American World Champion Lynn Jennings take part. 1.35 Racing: The 1.40 Ladbrooke Racing Welfare Handicap Hurdle. 1.50 Cross-Country: Further action from Durham. 2.10 The 2.15 Mandarin Handicap Chase. 2.25 Cross-Country. 2.35 Rugby League: Live coverage from the first semi-final of the Regal Trophy. 3.45 Football: Half-Time. 3.55 Rugby League: Live second-half coverage. 4.35 Final Score. Times may vary.

BBC2

5.15 News. 5.25 Regional News and Sport. 5.30 Bruce Forsyth's Generation Game. 6.30 Noel's House Party. 7.25 The Peter Dinklage Show. 8.15 Casualty. Duffy goes to the shock when the new consultant, who has replaced Julian, shows up - he turns out to be a former lover. Poor old Ash has problems of a different kind as he struggles desperately to come to terms with his girlfriend Nikki's pregnancy. On top of his financial hardship, it's a period he finds terribly worrying. Starring Cathy Shipton, Derek Thompson, Patrick Robinson and Imogen Boorman.

BBC2

9.05 News and Sport. Weather. 9.35 The Peter Dinklage Show. 10.15 Casualty. Duffy goes to the shock when the new consultant, who has replaced Julian, shows up - he turns out to be a former lover. Poor old Ash has problems of a different kind as he struggles desperately to come to terms with his girlfriend Nikki's pregnancy. On top of his financial hardship, it's a period he finds terribly worrying. Starring Cathy Shipton, Derek Thompson, Patrick Robinson and Imogen Boorman.

BBC2

11.05 Match of the Day. Desmond Lynn introduces highlights from the FA Cup third round. Goals from the day's other matches.

BBC2

12.15 Darts: World Championship. 1.10 Weather. 1.15 Close.

BBC2

1.30 Joseph and Child. Discussing Arthur Doyle's sculpture which shows Joseph holding the child he has helped deliver.

BBC2

1.50 Network East. 2.10 Tanhaiyan (English subtitles).

BBC2

2.40 Film: Brothers in Law. Ian Carmichael stars with Terry-Thomas and Richard Attenborough (1957).

BBC2

4.30 Film: Midnight Lace. Starring Doris Day (1960).

BBC2

6.15 Darts: World Championship. 7.10 Natural World Trail. Previewing the new season of BBC2 wildlife programmes.

BBC2

7.15 News and Sport. Weather. 7.30 Byzantium. The European premiere of a new opera by Michael Tippett's recent work Byzantium, recorded in 1991.

BBC2

8.15 London Weekend: Slicker's London. A day in the life of London, as seen through the paintings of British artist William Slicker. The programme, which opens BBC2's London Weekend evening coincides with an exhibition of Slicker's work at the Royal Academy, Music by Jools Holland.

BBC2

9.05 The Vampyr - A Soap Opera. 9.35 The Vampyr - A Soap Opera. 9.35 The Vampyr - A Soap Opera.

BBC2

10.35 Steptoe and Son. 11.05 London Labyrinth. Director Chris Peet's film about London made from archive footage is a personal exploration of the capital. Excerpts from feature films are interwoven to create a surreal vision of a city of mystery and intrigue.

BBC2

11.45 Film: Alfie. With Michael Caine as a Cockney wide boy in the Swinging Sixties who takes great pride in his many sexual conquests. The film is his life, looking at the women in his life, including the film's star, Jane Asher, Julia Foster and Shelley Winters. Also starring Denholm Elliott (1965).

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

BBC2

1.40 Close.

LWT

8.00 GMTV. 8.25 What's Up Doc? 11.10 Rating Hero

LWT

1.00 Movies. Movies. Movies. Reviewing the most popular films of 1992. Including the best films, videos to rent and buy, popular TV shows, and music on video.

LWT

1.30 ITN News. Weather. 1.35 LWT News. Weather. 1.40 The ITN Chart Show. 2.40 Film: Never a Dull Moment. Dick Van Dyke stars in this Disney slapstick romp about a failed actor who is mistaken for a notorious gangster. Also starring Edward G. Robinson (1967).

LWT

4.25 Cartoon Time. 4.40 ITN News and Results. Weather. 5.00 LWT News. Weather. 5.15 Cartoons. 5.30 Stars in Their Eyes: Elvis Special. Action drama, also starring Michael Jackson. 5.30 Film: Baywatch: The Movie: River of No Return. 9.05 It's Be Alright on the Night 7. Denis Norden takes another stroll through the little-known archives of film and TV out-takes. 9.05 PO James' Unnatural Causes. Roy Marsden stars as Cdr Adam Dalglish in this twisted tale of love and crime. While investigating a multi-million dollar counterfeit cash scam on the Suffolk coast, Dalglish is drawn into a macabre murder case. 11.05 ITN News. Weather. 11.25 LWT News. Weather. 11.25 Film: Under Fire. Nick Nolte and Gene Hackman star in this action drama which follows the relationship of three war correspondents in the incident room of a newspaper in war-torn Nicaragua. Action drama, also starring Joanna Cassidy and Ed Harris (1982).

LWT

1.45 Film: The Suicide Murders. A private detective investigates the mystery of a spate of suicides. Could the victims have been murdered? Crime drama, starring Saul Rubinek and Kate Trotter (TVM 1985).

LWT

3.40 Film: Out of the Darkness. True-based murder drama, starring Martin Sheen as a New York detective determined to bring a brutal serial killer to justice. Also starring Hector Elizondo (TVM 1995).

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

LWT

5.20 Get Stuffed Christmas Special.

CHANNEL4

6.00 Early Morning. 10.00 Tony Jackson's Pro-Celebrity Golf. 11.00 The Long Ranger. 11.30 World Angling Championships. 12.30 pm American Football: Play Action.

CHANNEL4

1.00 Sign On: Newsnight Special. Previewing topics of interest for deaf people in 1993. Plus, a review of 1992. With sign-language and subtitles.

CHANNEL4

2.00 Film: Love Me or Leave Me. Doree Day stars in this biopic about the life of famed 1920s singer Ruth Etting, with James Cagney as the gangster who masterminded her career (1955).

CHANNEL4

4.15 Animating Art. Art Gabbitt, animator of many classic Disney films, talks about his creations. He demonstrates his animation techniques and recalls working in the Disney studios in the 1930s and 1940s.

CHANNEL4

5.05 Brookside. 6.00 A Sense of History. Tragicomic sport documentary written by and starring Jim Broadbent. The 23rd Earl of Leicester recounts his life story, but his memories take a bizarre turn as he recalls his murder of his wife, children and other relatives.

CHANNEL4

7.00 A Week in Politics Special. Special edition retracing the dramatic story of the summer's Sterling crisis, when Britain was forced to leave the Exchange Rate Mechanism. Journalists and commentators who were close to politicians, officials and bankers involved in the incident recount exactly what happened and discuss what alternative policies might have been used. Presented by Andrew Rawnsley.

CHANNEL4

8.00 Stephen King's Golden Years. 8.50 Drop the Dead Donkey. Festive episode of the Emmy-winning topical comedy, starring David Swift and Jeff Rawles.

CHANNEL4

10.25 Technic Plates. Film adaptation of Robert LePage's stage play about the French-Canadian painter Madeleine. Marie Clagnac plays the artist, whose offbeat tale mixes fantasy with reality, while the spirits of Jim Morrison, Oprah Winfrey and Shakespeare's character Ophelia offer their advice.

CHANNEL4

12.25 American Football: Play Action. 1.35 Film: Godzilla vs. Megalodon. Lively monster caper. Godzilla comes to the rescue when Earthlings are threatened by a giant cockroach and a massive chicken (1973).

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

CHANNEL4

3.00 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:

ANGLIA: 1.35 Anglia News. 5.00 Anglia News and Sport. 11.20 Anglia Weather.

BORDER: 1.35 Border News. 5.00 Border News and Weather. 5.10 Sports Results.

CENTRAL: 1.35 Central News. 5.00 Central News. 5.05 Central News.

GRAMP: 1.35 Grampian Headlines. 5.00 Grampian Headlines. 5.05 Winter on Grampian.

GRAND: 1.35 Grand News. 5.00 Grand News. 5.10 Grand News Extra.

MTV: 1.35 MTV News. 5.00 MTV News and Sport. 11.20 MTV Weather.

MTV Wales as MTV except: No variations.

MERIDIAN: 1.35 Meridian News. 5.00 Meridian News. 5.05 The Making of Full Stretch.

SCOTLAND: 1.35 Pop Profile. 1.55 The Great Race. (1995). 5.00 Scotland Today. 5.10 Scottish Weather.

TYNE: 1.35 Tyne News. 5.00 Tyne News.

ULSTER: 1.35 Ulster News and Sport. 5.00 Ulster News and Sport. 5.10 Goals of the Year.



EVERY New Year brings with it a curse, and it is always the same one: the curse of New Year forecasts. The nation's stage army of pundits forms a queue to tell us what will happen to the stock market, which world leaders will be up, and which down, where house prices will be a year from now, and all the other matters beyond our control. It is dross, from first to last. The only advantage is that we do not have to read any of it, and can save dramatically the amount of time we spend reading newspapers.

We can be sure of one other thing: the forecasts will be over-optimistic. Last year not one of our leading economic forecasters predicted that the British economy in 1992 would continue to shrink. While the Treasury's own predictions were notably hubristic, inde-

What astrologers don't know

Dominic Lawson offers a New Year prediction: most pundits will be wrong again

pendent pundits scarcely covered themselves in glory. This, at least, was entirely predictable: human nature is optimistic, and in the 20th century this has been translated into a passionate conviction that every succeeding year must bring progress, that our civilisation can only wax, never wane.

It is in any case an artifice to assume that the affairs of man move in yearly cycles - the only objective difference between December 31 and January 1 is that one is a bank holiday and the other is not. More particularly, the Gregorian calendar bears no particular relation to the earth's cycle. Our New Year comes in the middle of winter, when nature is still deep in

hibernation. Since the Church of England has broken conclusively with the world-wide Catholic Church by declaring that women shall be priests, it might as well go the whole rationalist hog and break with Pope Gregory's calendar. Then we could celebrate the new year on an agreed first day of Spring, along with the birds and the bees.

This is not, I hasten to add, an appeal to move to a calendar based on the astrologers' system of planetary and solar influences. I am at least at one with the Pope in his anathematising of astrology. If not his declaration that to follow those spurious charts is a mortal sin.

In the tide of forecasts that wash over us each new year, the astrolo-

gers' predictions represent the scummiest flotsam and jetsam, horoscopes and detritus. I find it depressing that the *Daily Mail*, probably the most influential newspaper in Britain, should have devoted its centre pages for most of the past week to promoting the claims of a bald, bearded astrologer called Jonathan Cainer, who says he has developed something called "Astroanalysis" - a unique new way of seeing what the stars hold.

Cainer previously predicted the futures of the 1m or so readers of *Today* newspaper, now tells the considerably more numerous readers of the *Daily Mail* that "1993 is the year that will change your

life." This is because 1993 will see "Neptune and Uranus meet in the sky for the first time in nearly 200 years - a rare and important conjunction which has the potential to change our world dramatically."

I am particularly interested in his predictions for Capricorn (December 22 to January 20): "So much has changed in your home life you no longer feel sure where your personality ends - and where your need to be all things to all people begins."

My daughter was born a week and half ago, on December 23, and unlike Cainer, I have no idea what her character is. Had she been born a day earlier, she would have been a Sagittarian, just like her dad,

another Sagittarian. It is just as well we didn't have her induced. It would be wrong to think that astrology columns are the province solely of the tabloid newspapers. Superior glossy magazines, such as *Vogue* and *Harpers and Queen* have them. So too does the supposedly serious *Sunday Times*. Indeed, recently I received a letter from the *Sunday Times* astrologer, offering to explain to me the higher points of her art. Apparently something had told her that I was about to publish in *The Spectator* the sort of article about astrology which might have brought her "profession" into disrepute. On this occasion, I am afraid, her charts have let her down.

I have one question for her. Why do astrologers base their charts on the moment of birth, rather than the moment of conception? After all, that is when the earth is really supposed to move.

■ Dominic Lawson is Editor of *The Spectator*.

Bad news guys

Michael Thompson-Noel



MISS LEE, my executive assistant, was in fine form on New Year's eve. We put on paper hats, lit the pink candles, and had partridge and raspberries. Then we repaired to the sitting room, to await the chimes of midnight. To pass the time, I fiddled through a book about multiple universes. Apparently there is an infinity of universes. They pop out of nothing.

While I was wrestling with all this, Miss Lee had picked up a copy of *The Journalist's Handbook* which was lying around, and was flicking through it impatiently. She was looking particularly beautiful: a smart type of frock, \$400 shoes, hair nicely twirled, endearing crimson lipstick.

She started to laugh throatily. I asked about the cause.

Miss Lee said: "I am reading an article by this creature Peter Fiddick which poses the question: 'Can a 24-hour rolling news service on the BBC be justified? Is there enough news?'"

Reggie was with them. In the limpet way imaginable, he wonders whether there is enough news to sustain listeners' interest on a round-the-clock basis.

"What this creature doesn't realise is that most of humanity's problems can be ascribed to an excess of media. There are far too many journalists, all of them batten leech-like on what is a finite supply of news. It is my opinion, Michael, that most of our problems in 1992 were exacerbated by the media - not exactly caused by them but fanned and enflamed out of all proportion."

"Take John Major and Norman Lamont. Perfectly decent men who have been ridiculed for doing their best to wrestle with problems not of their making. How can Major and

HAWKS & HANDSAWS

Lamont be held responsible for German foolhardiness or the global debt spiral?"

"Or take the royal family. Look how the Queen and her hapless children were singled out in 1992 for remorseless persecution. All families have their problems. That is only human nature. But when Windsor Castle burned to the ground, the media gloated - virtually suggested she rebuild it herself. When the Queen offered to pay income tax, the media speculated on the scale of her liabilities. When her children's marriages encountered minor difficulties, the media snooped and eavesdropped and hounded them unmercifully."

"If you examine the world's problems in 1992, you will see that most of them were local difficulties that would have blown over if the media hadn't latched on to them. When real news dries up, they feast on each another. Look at the attention paid this week to Britain's commercial television network. Who cares a matchstick for ITV? It is a haven for minor talent. It is there to sell dog food. End of story."

"Or take the tabloid press. Anyone with four brain cells knows that the tabloids are written and commissioned by menopausal men with severe sexual hang-ups and chips on their shoulders. So let them get on with it. If the quality newspapers would deny the tabloids the oxygen of publicity, the tabloids would soon be read only by inmates of prisons and people in the Navy. There are far too many newspapers. Britain could easily get by with one pink broadsheet and one white broadsheet."

"But which white broadsheet?" I asked.

"Certainly not *The Times*. I used to be fond of it. Its last editor had knocked it into shape. But then along comes this Peter Stothard creature. Swans in from nowhere. Fires two dozen journalists. Tosses the whole thing in the air and rearranges it so that none of us can find our favourite columnists or features. There is an interview in here" - she brandished *The Journalist's Handbook* - "in which this creature seeks to justify his actions, but he doesn't fool me. What could be his problem?"

"Insecurity," I said. "You must remember, Miss Lee, that Stothard is a Murdoch editor. Can you imagine what hoops of ice constricted his brain and heart when Murdoch rang him from LA and appointed him editor? Must have been a nightmare. He deserves our deepest sympathy." Suddenly I felt maudlin. The clock was close to midnight. "This is a weary, wracked planet, Miss Lee. We must learn to hold our tongues, learn to stay our hands. Our planet is bleeding. It is crying for our sympathy. We are alone in the universe. We must love one another. Let us start with this Stothard creature and take it from there."

Private View/Christian Tyler

The man who broke the Bank of England

WHEN A man makes so much money that he can afford to give away \$250m it is no surprise to learn he has a theory about life.

George Soros, the Hungarian fund manager who broke the Bank of England in September and gave the Bosnian Muslims a \$50m (£32.8m) Christmas present, is rather different. Not only is he one of the most successful financial speculators in history but in his case the theory came before, not after, the money-making.

Soros is a frustrated intellectual who once fancied himself a new Keynes or Einstein. As a youth in Nazi - and then Communist - Budapest, he was plagued by the philosophical problem of the subjectivity of human perceptions. He

is more of an approach than a scientific hypothesis, let alone a general theory. But he says it provides the connection between the way he makes money and the way he disburses it.

In human relations - in social science, economics - objectivity is a mirage and disequilibrium the natural state, he argues. Markets cannot properly discount the future because ideas about the future are biased. The value of collateral is changed by the fact of the loan against it. In other words, beliefs alter facts. This perception, Soros says, helps him both to make money and to target his donations in a way that will influence history in eastern Europe and Russia.

"My financial and philanthropic activities are based on the same philosophical idea about the rela-



George Soros is a speculator. He bet heavily against ERM and won \$2bn. Now he is giving the money away.

tried, and failed, to resolve the problem in a treatise called "The Burden of Consciousness".

Even before arriving in England at the age of 17 to study under him at the London School of Economics, Soros had felt the influence of Sir Karl Popper, the Viennese philosopher of science whose *Open Society and its Enemies* denounced Plato, Hegel, Marx and all historical determinism.

After an undistinguished merchant banking apprenticeship in the City and Wall Street, Soros found himself in charge of an investment portfolio and began to apply his ideas on human subjectivity to the market, anticipating the unexpected, betting against the conventional wisdom. At the same time, through making (and losing) money, he began to understand his own ideas better.

In 1989 he set up a private mutual fund, registered offshore in Curaçao in the Lesser Antilles, which he later called "Quantum" in apparent homage to the Indeterminacy Principle of quantum mechanics formulated by Heisenberg.

Soros admits that his philosophy

relationship between participants' thinking and the situation in which they participate," he explained.

Soros predicted the 1987 stock market crash but lost \$800m, a third of the fund's then value, by wrongly calculating that the crash would start in Japan. Last September he netted perhaps \$2bn when he bet massively against the European exchange rate mechanism. Since 1979 he has spent some \$100m to create his Open Society Fund, Soros Foundations and Central European University throughout the former Communist bloc. Another \$100m went recently to support Russian science.

I asked him: is it harder to get rid of money than it is to make it?

"In my case it is."

Why is that?

"It seems to take more time and more energy. In making money you have a bottom line which gives you a pretty firm measure of success. But when you are trying to influence the shape of society you don't have a bottom line; and given that all actions have unintended consequences you certainly cannot measure success by the amount of

money you give away - because that money can easily be wasted."

So what yardstick do you use?

"When I was confronted with closed societies the goal was simply to foster pluralism, to enable people to do things which were not centrally determined but autonomous and spontaneous. So we made small grants over a broad range. 'The idea was very simple: that if you expose a dogma to alternatives, it will crumble, because it will be seen to be false once you have something to compare it with. That was the first phase."

"Not at all - no investments. In fact, I consider it a conflict of interest."

This was the philosophy, but it

did not fully explain the motivation. George Soros agreed that he did not set out to make millions in order to do good works. The careers were consecutive: he went through a sort of crisis which ended with him delegating the fund management.

"By the end of the 1970s I was beginning to make more money than I thought I had a use for in my personal life. So I started thinking about what to do with it. I thought pretty hard and decided that what I cared about was this open society."

"It was a complicated psychological development. For me making

money you give away - because that money can easily be wasted."

So what yardstick do you use?

"When I was confronted with closed societies the goal was simply to foster pluralism, to enable people to do things which were not centrally determined but autonomous and spontaneous. So we made small grants over a broad range. 'The idea was very simple: that if you expose a dogma to alternatives, it will crumble, because it will be seen to be false once you have something to compare it with. That was the first phase."

"Not at all - no investments. In fact, I consider it a conflict of interest."

This was the philosophy, but it

Tinker, tailor, soldier, currency speculator

continued from page 1

Slyde was not like them. He had a face like a young crocodile, and a nose for business.

Slyde had made his name in privatisation. English banknotes, with the new dragon motif, were now printed in Hong Kong. What in the name of Montagu Norman was Slyde doing here?

On his ultra-sound intercept, Rathbone strained to pick up the conversation. Von Stabill's accented words sent fear jangling through him. "We are so pleased, Mr Slyde, that you agree our little plan. We sell all our English government bonds. The Commonwealth join us. Sterling sinks. You will have a seat on the board! At last, true Europeans you will become! Your interest we have it, in our hearts!"

Von Stabill's eyes glistened, a sea of cunning; his words took on a pantomimic ring: "The time, Mr Slyde, we must fix. I opine: January 6!"

Rathbone reeled. That day, the markets would be preoccupied by the Wise Men's annual report. Central planned to take over the pound! To force England into monetary union! To think that Slyde would descend to this treachery!

Suddenly, a wiff of camphor told Rathbone he was no longer alone. D'Exchange appeared in the doorway, flanked by Sellem Lowe, cen-



Reichstag 2002: Europe's money masters meet under German leadership to plot England's final defeat

tral's chief trader, hired from the City's vilest currency pits.

"My dear Rathbone," intoned D'Exchange, "You are well beyond your limits. At this stage, intervention is obligatory!"

Rathbone winced at d'Exchange's nasal drawl. "Lowe, deal with him!" Grinning, Sellem drew his con-

cealed hedging instrument. Crude. But highly effective. Rathbone was aware of mist descending, as suddenly as the stop of a heartbeat.

■ ■ ■

The throbbing became less insistent. He was in Swapp's Bar. His old

haunt, run by Karl Swapp, an ex-Polski Bank man, whose corpulent frame Rathbone could now discern, oozing like a flow of lava from a battered armchair.

Sum must have dragged him here with the aid of Marginali, the southern bank chief with a reputation for instability. Rathbone recog-

nised the usual crowd. There was Vendor, the out-of-work Belgian bond salesman. Bleache, the sallow money laundering expert. Window, the Nederlandsche Bank functionary whose all-too-open discounting facilities had caused such trouble!

Swapp rolled over. "You hat problems, Mr Rathbone?" he inquired. "I

know zese central bankers, zey all same. Since zey left gold standard, zey drifting."

Swapp spat: "Zey want to get you down! To discredit you! Zey want to crush your value!"

Weakly, Rathbone tried to realign his thoughts. He could try to make the Embassy at Karlshorst, but the road would be under multilateral surveillance. He could call up the old allies in Washington, but, of late, Reserve had turned to reluctance. He must get on to Slyde! But a stifled scream from Sum told him: again, too late!

"You always were a fool. Rathbone," the chief executive purred, striding into the dive, flanked by pink-coated benchmen. "Of course, we do not act alone. I am no more independent than the rest of them here. I was on the phone to the government at Blenheim Palace this morning. Do not believe the wording in the treaty. We all take instructions!"

Rathbone's brain flicked through all the training manuals he had ever read. If there was a time for a U-turn, this was it! He pictured Sum beside him at the Bank's safe house at Roehampton. All thought of rebellion ebbed away. He took the girl's hand, and led her from the bar. No-one intervened.

Outside, the traffic stilled. The comtdown had already started. At least, they would never have to worry about exchange rates, any more.

مكتبة الأصيل